AZGARD9

Tomorrow's Denim Today

AZGARD NINE LIMITED
ANNUAL REPORT
2025

There’s pride before fashion.

Commitment before fashion.

Courage imagination and passion before fashion.

There’s innovation. There’s trust.

There’s an entire world out there that

needs us to care... before fashion.

We come before fashion.

And because we do, the future comes too.

AZGARD9. Future Before Fashion.

CEO MESSAGE

AHMED HUMAYUN SHAIKH

Chief Executive Officer - Azgard Nine Limited

This year, Azgard9 advanced its sustainability agenda by integrating cleaner technologies, optimizing resource use, and accelerating digitalization across operations. We strengthened focus on circularity, efficiency, and responsible innovation, ensuring competitiveness despite global and domestic challenges.

At the same time, we deepened our commitment to people by driving diversity, empowering women, and building a culture where performance and ideas thrive. This report shows these efforts reinforce our position as a future-ready leader in sustainable textiles, setting higher benchmarks for environmental stewardship, social responsibility, and product excellence.

"Leading with purpose, forging a sustainable path"

AHMED HUMAYUN SHAIKH

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VISION

To go down in history as one of the leading names in the success story of denim.

MISSION

Because the world cannot wait for a more sustainable denim, we are here to accelerate the change: Faster, cleaner and smarter.

COMPANY INFORMATION

BOARD OF DIRECTORS
Mr. Zahid Mahmood
Chairman
Mr. Ahmed H. Shaikh
Chief Executive
Mr. Abid Hussain
Mr. Ihsan Ahmad
Ms. Maliha Sarda Azam
Mr. Nasir Ali Khan Bhatti
Syed Hasan Akbar Kazmi
Mr. Usman Rasheed

COMPANY SECRETARY
Mr. Muhammad Awais

CHIEF FINANCIAL OFFICER
Mr. Muhammad Zahid Rafiq, FCA

AUDIT COMMITTEE
Mr. Ihsan Ahmad
Chairman
Mr. Nasir Ali Khan Bhatti
Mr. Usman Rasheed

HR & REMUNERATION COMMITTEE
Mr. Ihsan Ahmad
Chairman
Mr. Ahmed H. Shaikh
Ms. Maliha Sarda Azam

AUDITORS
Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

SHARES REGISTRAR
M/s. Hameed Majeed Associates (Pvt.) Ltd.
H. M. House, 7-Bank Square, Lahore.
Ph: +92(0)42 37235081-82
Fax: +92(0)42 37358817

REGISTERED OFFICE
Ismail Aiwan-i-Science
Off: Shahrah-i-Roomi, Lahore-54600.
Ph: +92(0)42 35761794-5

BANKERS

Relationship with conventional side

JS Bank Limited
MCB Bank Limited
Habib Bank Limited
United Bank Limited
National Bank of Pakistan
Bank Makramah Limited
Bank Al Habib Limited

Relationship with Islamic window operations

Al Baraka Bank Pakistan Limited
Faysal Bank Limited

PROJECT LOCATIONS

Textile & Apparel

Unit I

2.5 KM Off: Manga Raiwind Road,
District Kasur, Pakistan.
Ph: +92(0)42 35384081

Unit II

Atta Buksh Road, 18-KM, Off: Ferozepur Road, Mouza Atari Saroba, Tehseel Cantt, Lahore, Pakistan.
Ph: +92(0)333 0427020-1

E-MAIL

info@azgard9.com

WEB PRESENCE

www.azgard9.com

CHAIRMAN'S REVIEW

It is my privilege to present for your review the Annual Audited Financial Statements of the Company for the year ended June 30, 2025, together with an overview of the Board's overall performance. I also take this opportunity to invite you to attend the 32nd Annual General Meeting of the Company.

Review of the Company's performance

During the year under review, the Company operated in a challenging economic environment. Stability began to return to local and international markets as global inflation moderated. However, escalated raw material and energy costs continued to exert pressure on margins. Elevated sea freight rates, driven by geopolitical tensions in the Middle East, added further strain to the cost structure.

The operating environment remained challenging amid regulatory changes and trade pressures. Amendments to the Export Facilitation Scheme increased compliance burdens, while the U.S. imposed reciprocal tariffs on textile exports, revised from 29% to 19%, creating market uncertainty. The shift from Final to Normal Tax Regime, coupled with higher advance tax and withdrawal of sales tax zero-rating, led to refund accumulations, tightening liquidity and raising finance costs.

Despite these pressures, the Company delivered stronger earnings through strict cost control, operational efficiencies, and a focus on value-added products. The Board has been actively working to clear the Company's outstanding liabilities and remains committed to continuing these efforts, reflecting its dedication to financial discipline, resilience, and sustainable growth.

Review of the Board's performance

The Board diligently fulfilled its responsibilities, upholding the highest standards of governance and accountability. With their expertise and commitment, members effectively guided the Company to ensure sustainable success.

The annual evaluation of the Board, its members, and Committees for the year ended June 30, 2025, was conducted by M/s. PKF F.R.A.N.T.S., Chartered Accountants. Appropriate disclosure of this appointment is made in the Directors' Report. Overall performance has been assessed as good, while recognizing that improvement is a continuous process.

The Board's evaluation based on structure, compliance, leadership, strategy, operations, risk management, transparency, and stakeholder relations. Individual Directors were assessed on competence, integrity, and teamwork, while Committees were reviewed for efficiency, effectiveness, and support to the Board.

On behalf of the Board, I extend sincere thanks to our customers for their continued confidence, and to our employees whose commitment and professionalism drive the Company's success. We also appreciate the support of our financial institutions, which remains vital to sustaining growth and stability.

September 30, 2025

CHAIRMAN

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of Azgard Nine Limited ("the Company") hereby present the Company's Annual Report accompanied by the Audited Financial Statements for the year ended June 30, 2025.

Financial statements have been endorsed by the Chief Executive Officer and the Chief Financial Officer having been recommended for approval by the Audit Committee of the Board and approved by the Board of Directors for presentation.

Principal Activities

Your Company's main business is the production and marketing of denim-focused textile and apparel products, ranging from yarn to retail-ready goods.

Following are the operating financial results of Azgard Nine Limited for the year ended June 30, 2025:

	Year ended June 30, 2025 Rupees	Year ended June 30, 2024 Rupees
Sales – net	**40,605,013,232**	36,517,176,090
Operating profit	**2,901,350,851**	2,426,736,938
Finance cost	**(1,131,276,152)**	(1,091,439,458)
Profit before taxes	**1,452,756,130**	1,169,209,583
Net Profit after taxes	**701,802,854**	675,319,873
Earnings per share	**1.43**	1.37

Review for the year

The fiscal year under review marked another period of improved performance for the Company. Net sales increased by more than 11% over the preceding year. Operating profit improved to Rs. 2,901.35 million in 2025 from Rs. 2,426.74 million in 2024. This reflects an increase of approximately 20%. Profit after tax also improved, reaching Rs. 701.80 million in 2025 compared to Rs. 675.32 million in 2024.

During the year under review, the operating environment reflected both supportive and challenging factors. On the positive side, stability in domestic and international markets provided a measure of resilience, while signs of recovery emerged as global inflation moderated. The Pakistani Rupee also remained relatively stable against the US Dollar. Moreover, the reduction in policy rates-from 20.50% on July 1, 2024, to 11% by June 30, 2025-offered further relief to the overall business climate.

Conversely, significant economic headwinds continued to weigh on margins. Elevated costs of raw materials and energy, both exceeding global benchmarks, remained a major concern. Labor costs also rose following the increase in minimum wage from Rs. 32,000 to Rs. 37,000, placing them among the highest in the region. These factors collectively eroded the competitiveness of Pakistan's textile industry relative to regional peers. Additionally, sea freight rates and transit time stayed elevated, largely due to persistent geopolitical tensions in the Middle East.

Recent amendments to the Export Facilitation Scheme have introduced more stringent requirements. Notably, the utilization period for input goods has been reduced from five years to nine months. This shortened time frame poses practical challenges, as highlighted by the textile industry, which has cautioned that such changes could constrain supply chains, escalate costs, and disrupt export operations.

In April 2025, the United States imposed reciprocal tariffs on textiles. Pakistan initially faced a 29% rate, which was later reduced to 19% under a bilateral agreement in July 2025. In August 2025, the U.S. Court of Appeals ruled that the tariffs exceeded presidential authority and were unconstitutional. The tariffs, however, remain in force due to a judicial stay pending further appeals. This uncertainty continues to raise costs for Pakistani exporters and affects competitiveness in the U.S. market.

Effective July 2024, the government of Pakistan shifted exporters from the Final Tax Regime to the Normal Tax Regime. In addition to this, introduced an additional 1% advance minimum tax on export proceeds, alongside the already existing 1% tax on export proceeds. This doubles the amount the Government of Pakistan collects as advance tax and severely retains the Company's cash flow. Sales tax refunds have also been accumulating each month, while older refunds remain outstanding, tying up significant working capital. These delays are straining liquidity, increasing financing costs, and disrupting procurement and production planning. Timely clearance of refunds is therefore critical to sustaining export momentum and ensuring the sector's viability. Coupled with the impact of the super tax, these measures have further eroded the competitiveness of the industry.

Despite these challenges, the Company delivered an improvement in earnings. This was achieved through proactive measures, including cost control and enhanced operational efficiencies. Focus on value-added products and better utilization of resources further supported profitability. Continued emphasis on process improvements and prudent financial management also helped mitigate external pressures.

The settlement plan for the outstanding preference shares was approved by the preference shareholders in their meeting held on January 18, 2024. Following the approval, outstanding dividends have been paid. The outstanding principal amount and the accrued mark-up is being settled according to the approved settlement plan.

Financial Restructuring of Debts

The creditors' Scheme of Arrangement, approved by the Honorable Lahore High Court (LHC) on July 31, 2019, was implemented on April 29, 2021. As previously disclosed, a substantial portion of the sale proceeds has already been received from the buyer of the Muzaffargarh unit. The release of funds relating to the land portion has been delayed on the part of the buyer. The agent banks are addressing this delay and actively working to resolve the related issues. The full amount is expected to be received in the near future. Upon realization of the complete proceeds, distributions will be made to creditors in accordance with the approved scheme of arrangement.

Post restructuring, the Company remains fully committed to timely debt servicing. Despite financial challenges during the year under review, it has successfully met all principal and markup obligations in accordance with agreed schedules.

Future Business Outlook

Severe monsoon floods in August–September 2025 disrupted large parts of Punjab and Sindh. Over a million people were evacuated and thousands of villages were flooded. Key crops—including cotton, rice, and sugarcane—suffered heavy losses. Cotton shortages and logistics bottlenecks are pressuring input costs and delivery timelines. Inflation risks have risen, and mills may face higher working capital needs and possible cotton import bills. The situation remains uncertain and the National Disaster Management Authority reports ongoing impacts and continuing relief operations.

The future of the textile industry in Pakistan is challenging and uncertain. High energy costs, limited skill set of local work force and outdated machinery continue to erode competitiveness. These issues increase the cost of doing business and limit the ability to compete in global markets. Immediate policy action is required from the Government of Pakistan.

The Government of Pakistan is finalizing a five-year Textiles & Apparel Policy (2025–30) focused on lowering manufacturing costs, improving productivity and R&D, diversifying products/markets, and easing trade and regulatory frictions to boost exports. It will align with a new National Industrial Policy and is being shaped through stakeholder consultations.

The Company remains focused on prudent cost management and operational efficiency. To reduce energy costs, on-site power generation initiatives are being considered. Solar projects have been completed, while the biomass project is currently under execution with targeted completion in December 2025. These investments are designed to lower exposure to volatile grid tariffs and enhance supply reliability. Industry studies further highlight that captive renewable solutions and efficiency upgrades not only enhance competitiveness but also support lower emissions.

Looking ahead, our strategy is centered on expanding into higher-margin product categories, reducing lead times, and cultivating stronger relationships with global buyers to ensure resilience and long-term competitiveness.

CSR and Sustainable practices

The Company is focused on maintaining Corporate Social Responsibility (CSR) by incorporating sustainable and ethical practices in its core operations. The Management works towards empowering peopleby helping them develop the skills they need to succeed in a global economy. The Company works with local communities and tries to increase their capacity and knowledge regarding health, education, and general well-being.

The key to this approach are the employees of the Company who generously give their time, experience and talent to serve these communities; the Company encourages and facilitates them to do so.

The Company has many internationally recognized certifications focused on high standards for labor welfare and keeping the environment clean for a sustainable planet.

Sustainability Disclosure is also given separately in the Annual Report including measures taken to promote Diversity, Equity and Inclusion.

Earnings per share

The earnings per share for the Company for the year ended June 30, 2025 is Rs 1.43 per share.

Dividends

Following the restructuring, the Company has begun servicing its restructured debt under the Creditors' Scheme of Arrangement approved by the Lahore High Court and must carefully manage cash flows to ensure timely repayments.

Concurrently, escalating energy costs, higher taxes and operating expenses have placed further strain on profitability, while rising sales volumes have increased the need for working capital. This has required the Company to utilize internal resources to support operations and safeguard liquidity.

In view of these factors, the Company currently does not have excess funds for dividend distribution. Nevertheless, the Board may consider declaring dividends once business and financial circumstances improve.

New Zero Coupon PPTFCs Redemption Reserve

As disclosed in Note 8.4 to the annexed financial statements, the Company is allocating Rs. 710.17 million annually from unappropriated profits to this reserve in order to cover the outstanding liability of Rs. 4,971 million due in 2031.

Principal Risks and Uncertainties

The Company's performance has shown gradual improvement; however, its operations continue to be subject to various risks and uncertainties. Key risks include:

1. **Competitive Pressures**
   Intensifying competition, both within the domestic market and from regional competitors, poses a potential threat to the Company's future revenue and profitability.

2. **Technological Advancements**
   Rapid advancements in technology necessitate continuous investment and innovation. The inability to timely adopt and integrate modern technologies may affect the Company's competitiveness in both local and international markets.

3. **Global Trade Dynamics and Tariff Exposure**
   Volatility in global demand, shifting consumer preferences, and rising protectionist trade measures continue to influence the textile industry. In particular, the imposition or escalation of tariffs by the United States on textile imports from Pakistan, including the expected finalization of reciprocal tariffs, could adversely affect export volumes, margins, and overall sector competitiveness.

4. **Policy and Regulatory Environment**
The Government of Pakistan is in the process of finalizing the Five-Year Textiles & Apparel Policy (2025–30). The policy framework and related government measures will have a significant bearing on the competitiveness of the textile sector in export markets, thereby directly impacting the Company's operating environment.

Disclosure on financial risk management is provided under Note 52 to the financial statements.

Post balance sheet events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's Report.

Related party transactions

The Company has presented all related party transactions before the Audit Committee and Board for their review and approval. These transactions have been approved by the Audit Committee and the Board in their respective meetings. The details of all related party transactions have been provided in Note 49 to the annexed financial statements for the year ended June 30, 2025.

Corporate briefing session

The Company has carried out a corporate briefing session on November 25, 2024. Presentation is available on the website of the Company www.azgard9.com.

Corporate governance, financial reporting and internal control systems

We are pleased to report that:

- The financial statements, prepared by the management of the Company present the state of affairs of the company fairly, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure from them has been adequately disclosed and explained.
- The system of internal controls is sound in design and has been effectively implemented and monitored. Emphasis is being done on control procedures to ensure that policies of the Company are adhered with and in case of any anomaly, timely rectification is done.
- The Board is satisfied that the Company is a going concern.
- Key operating and financial data for the last six years is annexed.
- There are no statutory payments on account of taxes, duties, levies, and charges which are outstanding as on June 30, 2025 except for those disclosed in the financial statements.
- During the year, Mr. Ahmed Humayun Shaikh, CEO of the Company received 15,100,000, 8,033,845 and 172,000 ordinary shares from his father, mother and spouse respectively as gift.
- All Directors have acquired certification under a Directors' Training Program (DTP) or have obtained exemption from the Securities and Exchange Commission of Pakistan.

Under the creditors' scheme of arrangement approved by the Honorable Lahore High Court ("LHC") vide order dated July 31, 2019, the Company has issued Sukuk certificates to Faysal Bank Limited ("FBL") amounting to Rs. 193.52 million. Shariah Advisor has exempted the Sukuk issue from the requirement of external Shariah Audit under Regulation 12(1) of the Sukuk (Privately Placed) Regulations, 2017.

The statement of compliance with the best practices of Listed Companies (Code of Corporate Governance) Regulations, 2019 is provided in this annual report.

Board of Directors

The Board of directors of the Company is predominantly independent/non-executive which ensures transparency and good corporate governance. The non-executive directors bring to the Company their vast experience of business, governance and law, contributing valuable input and ensuring the Company's operations at a high standard of the principles of legal and corporate compliance.

Following is information/composition of directors and names of members of the Board's Committees.

The total numbers of Directors are eight (including Chief Executive Officer) as per the following:

a) Male 7 b) Female 1

The composition of Board is as follows:

i.	Independent Directors	Mr. Abid Hussain
		Mr. Ihsan Ahmad
ii.	Non-executive Directors	Mr. Zahid Mahmood
		Ms. Maliha Sarda Azam
		Mr. Nasir Ali Khan Bhatti
		Syed Hasan Akbar Kazmi
		Mr. Usman Rasheed
iii.	Executive Director	Mr. Ahmed H. Shaikh
iv.	Female Director	Ms. Maliha Sarda Azam

The names of members of the Board's Committees are as follows:

i.	Audit Committee	Mr. Ihsan Ahmad– Chairman
		Ms. Nasir Ali Khan Bhatti - Member
		Mr. Usman Rasheed – Member
ii.	Human Resource and Remuneration Committee	Mr. Ihsan Ahmad – Chairman
		Ms. Maliha Sarda Azam– Member
		Mr. Ahmed H. Shaikh – Member

Following are names of directors who served on the Board during the year and number of Board and Committees' meetings held during the year ended June 30, 2025 along with status of attendance by each director:

Board of Directors' Meetings

Four (4) meetings were held during the period from July 1, 2024 to June 30, 2025:

Name of Directors	Eligibility	Attended
Mr. Zahid Mahmood	4	4
Mr. Abid Hussain	4	4
Mr. Ihsan Ahmad	4	4
Ms. Maliha Sarda Azam	4	4
Mr. Nasir Ali Khan Bhatti	4	4
Syed Hasan Akbar Kazmi	4	4
Mr. Usman Rasheed	4	4
Mr. Ahmed H. Shaikh	4	4

Human Resource and Remuneration Committee (HRRC) Meetings

Two (2) meetings were held during the period from July 1, 2024 to June 30, 2025:

Name of Directors	Eligibility	Attended
Mr. Ihsan Ahmad	2	2
Ms. Maliha Sarda Azam	2	2
Mr. Ahmed H. Shaikh	2	2

Audit Committee Meetings

Four (4) meetings were held during the period from July 1, 2024 to June 30, 2025:

Name of Directors	Eligibility	Attended
Mr. Ihsan Ahmad	4	4
Mr. Nasir Ali Khan Bhatti	4	4
Mr. Usman Rasheed	4	4

Board's Evaluation

A formal and effective mechanism is in place for annual evaluation of the performance of the Board, Members of the Board and Committees of the Board. M/s. PKF F.R.A.N.T.S., Chartered Accountants (PKF) were appointed for performing independent evaluation for the year ended June 30, 2025. PKF has a satisfactory rating under the Quality Control Review (QCR) program of the Institute of Chartered Accountants of Pakistan and is also registered with Audit Oversight Board of Pakistan. PKF was required to evaluate the performance of the Board as a whole, Members of the Board (individual Directors) and Committees of the Board (Audit Committee & Human Resource and Remuneration Committee) on the basis of Mechanism for Evaluation of Board's Own Performance devised by the Company and in accordance with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 and to submit report of findings along with recommendations for overall improvement in the governance structure of the Company.

Review report by the Chairman on the overall performance of the Board is attached.

Directors' Remuneration

The Company has a formal remuneration policy for its Directors (Executive and Independent/Non-Executive) and members of senior management duly approved by the Board of Directors. The Policy has been designed as a component of HR strategy and both are required to support business strategy. The Board believes that the Policy is appropriate and effective in its ability to attract and retain the best executives and Directors to run and manage the Company as well as to create congruence between Directors, executives, and shareholders. The policy aims to make Directors and senior management accountable for their governance and performance vis-à-vis determination and payment of compensation.

Following is detail of remuneration of Chief Executive:

	Chief Executive
	----------Rupees--------
Managerial remuneration	27,999,996
Medical	2,799,997
Utilities and house rent	11,200,006
Bonus	28,354,655
Post-employment benefits	2,692,307
	73,046,961

The Company is paying fees to Non-Executive Independent Directors for attending the Board and Committee meetings. The relevant information of remuneration/meeting fees paid to Directors is also disclosed in Note 57 to the annexed financial statements for the year ended June 30, 2025.

Appointment of Auditors

M/s.Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, completed its tenure of appointment with the Company and being eligible has offered its services for another term. The Board of Directors of Company, based on the recommendation of the audit committee of the Board, has proposed M/s.Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants for reappointment as auditors of the Company for the ensuing year. The audit committee has authorized the Board to fix the remuneration of auditors. Further, the Board has recommended to authorize Chief Executive Officer for the same.

Audit committee

The Board of Directors constituted a fully functional Audit Committee comprising three members; two are non-executive Directors and one is independent Director. The terms of reference of the Committee determined by the Board of Directors in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, inter alia, consist of ensuring transparent internal audits, accounting and control systems, adequate reporting structure as well as determining appropriate measures to safeguard the Company's assets.

Internal audit function

The Board has outsourced the internal audit function to M/s. PKF F.R.A.N.T.S, Chartered Accountants (a member firm of PKF International Limited) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. Further, a fulltime employee of the Company has been designated as Head of Internal Audit as required under the Regulations. Internal audit findings are reviewed by the Audit Committee, and where necessary, action is taken on the basis of recommendations contained in the internal audit reports.

Risk framework and internal control system

There is a Board's approved 'Governance of Risks and Internal Control Measures' policy that sets out how the Company manages risk throughout the organization and how the Risk and Internal Controls framework will be maintained.

The policy is intended to:

- Outline the risk management framework that The Company operates in pursuit of its business objectives;
- Provide the tools, processes and procedures to support the management of risk within the company's risk appetite;
- Create clear ownership and accountability for risk management throughout the organization;
- Set out the Company's risk policy categorization and enterprise-wide approach to managing risk;
- Identify the governance structures that will provide oversight of the risk management process.

Shareholding pattern

The shareholding pattern as at June 30, 2025 is annexed.

Classes/kinds of share capital

The Company's paid up/issued share capital consist of ordinary shares and non-voting ordinary shares. Ordinary shares have all rights and privileges including voting rights as provided in the applicable laws. Non-voting ordinary shares do not have any voting rights and any right to receive notice of, attend, or vote at any general meeting of the Company except as otherwise provided in the applicable laws. However, non-voting ordinary shares have all other rights of ordinary shares including the right to dividend and to share in the assets of the Company upon winding up.

Web presence

Annual and periodic financial statements of the Company are also available on the website of the Company for information of the shareholders and others.

Acknowledgment

We sincerely acknowledge the trust of our valued customers, the unwavering support of our financial partners, and the dedication of our employees whose hard work drives the Company forward. We also extend our heartfelt gratitude to all stakeholders, whose continued support remains a cornerstone of our progress.

With this collective commitment, we are confident that the Company will continue to strengthen its financial performance and achieve greater success in the future.

On behalf of the Board of Directors

Chief Executive Officer	**Chairman**

Lahore
Date: September 30, 2025

ممبران کیلئے ڈائریکٹرز رپورٹ:۔

ایزگارڈ نائن لمیٹڈ (کمپنی) کے ڈائریکٹرز کمپنی کی سالانہ رپورٹ ساتھ آڈیٹڈ فنانشل اسٹیٹمنٹس برائے سال 30 جون 2025 پیش کر رہے ہیں۔

کمپنی کے حسابات تصدیق شدہ منجانب چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر جس کی بورڈ آڈٹ کمیٹی نے سفارش کی اور بورڈ آف ڈائریکٹرز نے پیش کرنے کی اجازت دی۔

اہم سرگرمیاں

آپ کی کمپنی کی توجہ دھاگہ، ڈینم کپڑا اور تیار ڈینم ملبوسات کی مصنوعات کی پیداوار اور مارکیٹنگ پر مرکوز ہے، جس میں دھاگے سے لے کر ریٹیل ریڈی گڈز شامل ہیں۔

ایزگارڈ نائن لمیٹڈ کے آپریٹنگ مالیاتی نتائج برائے سال 30 جون 2025 درج ذیل ہیں۔

تفصیلات	سال مختتمہ 30 جون 2025 (روپے)	سال مختتمہ 30 جون 2024 (روپے)
فروختگی (Net)	**40,605,013,232**	36,517,176,090
آپریٹنگ منافع	**2,901,350,851**	2,426,736,938
مالیاتی اخراجات	**(1,131,276,152)**	(1,091,439,458)
منافع قبل از ٹیکسز	**1,452,756,130**	1,169,209,583
منافع بعد از ٹیکسز	**701,802,854**	675,319,873
منافع فی شیئر	**1.43**	1.37

سالانہ جائزہ

زیر جائزہ مالی سال کمپنی کے لیے بہتر کارکردگی کا ایک اور دور تھا۔ کمپنی کی سیلز میں پچھلے سال کے مقابلے 11 فیصد سے زیادہ کا اضافہ ہوا ہے۔ آپریٹنگ منافع سال 2024 کے 2,426.74 ملین روپے کے مقابلے سال 2025 میں بڑھ کر 2,901.35 ملین روپے ہوگیا ہے۔ یہ تقریباً 20% کے اضافے کو ظاہر کرتا ہے۔ ٹیکس کے بعد منافع میں بھی نمایاں اضافہ ہوا، 2024 میں 675.32 ملین روپے کے مقابلے 2025 میں 701.80 ملین روپے تک پہنچ گیا۔

زیر نظر سال کے دوران، آپریٹنگ ماحول نے معاون اور چیلنجنگ دونوں عوامل کی عکاسی کی۔ مثبت پہلو پر، ملکی اور بین الاقوامی منڈیوں میں استحکام نے لچک کا ایک پیمانہ فراہم کیا، جبکہ عالمی افراط زر کے معتدل ہونے سے بحالی کے آثار نمودار ہوئے۔ پاکستانی روپیہ بھی امریکی ڈالر کے مقابلے میں نسبتاً مستحکم رہا۔ مزید برآں، پالیسی ریٹ میں کمی، جو 01 جولائی 2024 کو 20.50% تھی، جو کہ 30 جون 2025 تک 11% ہوگئی، نے مجموعی کاروباری ماحول کو مزید ریلیف فراہم کیا۔

اس کے برعکس، اہم اقتصادی راہداریوں کا وزن مارجن پر اثر انداز ہوتا رہا۔ خام مال اور توانائی کی بلند قیمتیں، دونوں عالمی معیارات سے زیادہ، ایک بڑی تشویش بنی ہوئی ہیں۔ کم از کم اجرت 32,000 روپے سے 37,000 روپے تک بڑھنے کے بعد مزدوری کی لاگت میں بھی اضافہ ہوا۔ انہیں خطے میں سب سے اونچے درجے میں رکھتا ہے۔ ان عوامل نے مجموعی طور پر پاکستان کی ٹیکسٹائل انڈسٹری کی علاقائی ہم عصروں کے مقابلے میں مسابقت کو ختم کر دیا۔ اس کے علاوہ، سمندر مال برداری کی شرح اور ٹرانزٹ ٹائم بلند رہے، جس کی بڑی وجہ مشرق وسطیٰ میں مسلسل جغرافیائی سیاسی کشیدگی ہے۔

ایکسپورٹ فیسیلیٹیشن سکیم میں حالیہ ترامیم نے مزید سخت تقاضے متعارف کرائے ہیں۔ قابل ذکر بات یہ ہے کہ ان پٹ سامان کے استعمال کی مدت پانچ سال سے کم کر کے نو ماہ کر دی گئی ہے۔ یہ مختصر مدت عملی چیلنجوں کا باعث بنتی ہے، جیسا کہ ٹیکسٹائل انڈسٹری کی طرف سے روشنی ڈالی گئی ہے، جس نے خبردار کیا ہے کہ اس طرح کی تبدیلیاں سپلائی چین کو محدود کر سکتی ہیں، اخراجات میں اضافہ اور برآمدی کارروائیوں میں خلل ڈال سکتی ہیں۔

اپریل 2025 میں، امریکہ نے ٹیکسٹائل پر باہمی محصولات عائد کیے تھے۔ پاکستان کو ابتدائی طور پر 29 فیصد شرح کا سامنا کرنا پڑا، جسے بعد میں جولائی 2025 میں دوطرفہ معاہدے کے تحت کم کر کے 19 فیصد کر دیا گیا۔ اگست 2025 میں، امریکی عدالت برائے اپیل نے فیصلہ دیا کہ ٹیرف صدارتی اختیار سے تجاوز کرتے ہیں اور یہ غیر آئینی تھے۔ تاہم، مزید اپیلوں کے زیر التواعدالتی اسٹے کی وجہ سے ٹیرف نافذ ہیں۔ یہ غیر یقینی صورتحال پاکستانی برآمدکنندگان کی لاگت میں مسلسل اضافہ کر رہی ہے اور امریکی مارکیٹ میں مسابقت کو متاثر کرتی ہے۔

جولائی 2024 سے، حکومت پاکستان نے برآمدکنندگان کو فائنل ٹیکس رجیم سے نارمل ٹیکس رجیم میں منتقل کر دیا۔ اس کے علاوہ، برآمدی آمدنی پر پہلے سے موجود 1% ٹیکس کے ساتھ، برآمدی آمدنی پر اضافی 1% ایڈوانس کم از کم ٹیکس متعارف کرایا۔ اس سے حکومت پاکستان ایڈوانس ٹیکس کے طور پر جمع کی جانے والی رقم کو دگنا کر دیتی ہے اور کمپنی کے کیش فلو پر سختی برقرار رکھتی ہے۔ سیلز ٹیکس ریفنڈز بھی ہر ماہ جمع ہو رہے ہیں، جبکہ پرانے ریفنڈز بقایا ہیں، جو کہ اہم ورکنگ کیپیٹل کو کم کر رہے ہیں۔ یہ تاخیر لیکویڈیٹی میں تناؤ، مالیاتی اخراجات میں اضافہ، اور خریداری اور پیداوار کی منصوبہ بندی میں خلل ڈال رہی ہیں۔ اس لیے ریفنڈز کی بروقت کلیئرنس برآمدات کی رفتار کو برقرار رکھنے اور شعبے کی عملداری کو یقینی بنانے کے لیے اہم ہے۔ سپر ٹیکس کے اثرات کے ساتھ مل کر، ان اقدامات نے صنعت کی مسابقت کو مزید ختم کر دیا ہے۔

ان چیلنجوں کے باوجود، کمپنی نے آمدنی میں بہتری لائی۔ یہ لاگت کنٹرول اور بہتر آپریشنل افادیت سمیت فعال اقدامات کے ذریعے حاصل کیا گیا۔ ویلیو ایڈڈ پراڈکٹس پر توجہ مرکوز کریں اور وسائل کے بہتر استعمال نے منافع کو مزید سہارا دیا۔ عمل میں بہتری اور سمجھدار مالی انتظام پر مسلسل زور نے بیرونی دباؤ کو کم کرنے میں بھی مدد کی۔

بقایا ترجیحی حصص کے تصفیہ کے منصوبے کو ترجیحی شیئر ہولڈرز نے 18 جنوری 2024 کو ہونے والی اپنی میٹنگ میں منظور کیا تھا۔ منظوری کے بعد بقایا منافع کی ادائیگی کر دی گئی ہے۔ بقایا اصل رقم اور جمع شدہ مارک اپ منظور شدہ سیٹلمنٹ پلان کے مطابق طے کیا جا رہا ہے۔

قرضہ جات کی مالیاتی تنظیم نو

01 جولائی 2019 کو معزز لاہور ہائی کورٹ (LHC) کی طرف سے منظور شدہ قرض دہندگان کی سکیم 29 اپریل 2021 کو نافذ کی گئی تھی۔ جیسا کہ پہلے انکشاف کیا گیا تھا، مظفرگڑھ یونٹ کے خریدار سے فروخت سے حاصل ہونے والی رقم کا کافی حصہ پہلے ہی موصول ہو چکا ہے۔ خریدار کی جانب سے زمین کے حصے سے متعلق فنڈز کے اجراء میں تاخیر ہوئی ہے۔ ایجنٹ بینک اس تاخیر کا ازالہ کر رہے ہیں اور متعلقہ مسائل کو حل کرنے کے لیے سرگرمی سے کام کر رہے ہیں۔ پوری رقم مستقبل قریب میں موصول ہونے کی امید ہے۔ مکمل رقم کی وصولی کے بعد، قرض دہندگان کو تنظیم نو کی منظور شدہ اسکیم کے مطابق تقسیم کیا جائے گا۔

تنظیم نو کے بعد، کمپنی قرض کی بروقت فراہمی کے لیے پوری طرح پرعزم ہے۔ زیر نظر سال کے دوران مالی چیلنجوں کے باوجود، اس نے متفقہ نظام الاوقات کے مطابق تمام بنیادی اور مارک اپ ذمہ داریوں کو کامیابی سے پورا کیا ہے۔

مستقبل کے نقطہ نظر سے ٹیکسٹائل کاروبار

اگست-ستمبر 2025 میں مون سون کے شدید سیلاب نے پنجاب اور سندھ کے بڑے حصوں کو متاثر کیا۔ دس لاکھ سے زائد افراد کو نقل مکانی کر دی گئی اور ہزاروں دیہات سیلاب زدہ ہو گئے۔ اہم فصلوں بشمول کپاس، چاول اور گنے کو بھاری نقصان کا سامنا کرنا پڑا۔ کپاس کی قلت اور لاجسٹکس کی رکاوٹیں ان پٹ لاگت اور ترسیل کی ٹائم لائنز پر دباؤ ڈال رہی ہیں۔ افراط زر کے خطرات بڑھ گئے ہیں، اور ملوں کو زیادہ کام کرنے والے سرمائے کی ضروریات اور ممکنہ کپاس کے درآمدی بلوں کا سامنا کرنا پڑ سکتا ہے۔ صورتحال غیر یقینی ہے اور نیشنل ڈیزاسٹر مینجمنٹ اتھارٹی جاری اثرات اور امدادی کارروائیوں کو جاری رکھنے کی اطلاع دیتی ہے۔

پاکستان میں ٹیکسٹائل انڈسٹری کا مستقبل مشکل اور غیر یقینی ہے۔ زیادہ توانائی کی لاگت، مقامی افرادی قوت کی محدود مہارت کا سیٹ اور پرانی مشینری مسابقت کو کم کر رہی ہے۔ یہ مسائل کاروبار کرنے کی لاگت کو بڑھاتے ہیں اور عالمی منڈیوں میں مقابلہ کرنے کی صلاحیت کو محدود کرتے ہیں۔ حکومت پاکستان سے فوری پالیسی ایکشن کی ضرورت ہے۔

حکومت پاکستان ایک پانچ سالہ ٹیکسٹائل اور ملبوسات کی پالیسی (30-2025) کو حتمی شکل دے رہی ہے جس کی توجہ مینوفیکچرنگ لاگت کو کم کرنے، پیداواری صلاحیت اور R&D کو بہتر بنانے، مصنوعات/ مارکیٹس کو متنوع بنانے، اور برآمدات کو بڑھانے کے لیے تجارتی اور ریگولیٹری تنازعات کو کم کرنے پر مرکوز ہے۔ یہ ایک نئی قومی صنعتی پالیسی کے ساتھ ہم آہنگ ہوگی اور اسٹیک ہولڈرز کی مشاورت سے تشکیل دی جا رہی ہے۔

کمپنی لاگت کے محتاط انتظام اور آپریشنل کارکردگی پر مرکوز ہے۔ توانائی کی لاگت کو کم کرنے کے لیے، سائٹ پر بجلی پیدا کرنے کے اقدامات پر غور کیا جا رہا ہے۔ شمسی توانائی کے منصوبے مکمل ہو چکے ہیں، جبکہ بائیوماس پروجیکٹ فی الحال دسمبر 2025 میں مکمل ہونے کے ساتھ زیر تکمیل ہے۔ انڈسٹری اسٹڈیز مزید اس بات پر روشنی ڈالتی ہیں کہ قابل تجدید حل اور کارکردگی کے اپ گریڈ نہ صرف مسابقت کو بڑھاتے ہیں بلکہ کم اخراج کو بھی سپورٹ کرتے ہیں۔

آگے دیکھتے ہوئے، ہماری حکمت عملی زیادہ مارجن والے پروڈکٹ کیٹیگریز میں توسیع، لیڈ ٹائم کو کم کرنے، اور لچک اور طویل مدتی مسابقت کو یقینی بنانے کے لیے عالمی خریداروں کے ساتھ مضبوط تعلقات استوار کرنے پر مرکوز ہے۔

کارپوریٹ سماجی ذمہ داری اور پائیدار طرز عمل

کمپنی اپنے بنیادی کاموں میں پائیدار اور اخلاقی طریقوں کو شامل کر کے کارپوریٹ سماجی ذمہ داری (CSR) کو برقرار رکھنے پر مرکوز ہے۔ انتظامیہ لوگوں کو بااختیار بنانے کے لیے کام کرتی ہے تاکہ وہ ان مہارتوں کو تیار کر سکیں جن کی انہیں عالمی معیشت میں کامیابی کے لیے درکار ہے۔ کمپنی مقامی کمیونٹیز کے ساتھ کام کرتی ہے اور صحت، تعلیم، اور عمومی بہبود کے حوالے سے ان کی صلاحیت اور علم میں اضافہ کرنے کی کوشش کرتی ہے۔

اس نقطہ نظر کی کلید کمپنی کے ملازمین ہیں جو ان کمیونٹیز کی خدمت کے لیے اپنا وقت، تجربہ اور ہنر دل کھول کر دیتے ہیں۔ کمپنی انہیں ایسا کرنے کے لیے حوصلہ افزائی اور سہولت فراہم کرتی ہے۔

کمپنی کے پاس بہت سے بین الاقوامی سطح پر تسلیم شدہ سرٹیفیکیشنز ہیں جو مزدوروں کی بہبود اور پائیدار سیارے کے لیے ماحول کو صاف رکھنے کے لیے اعلیٰ معیارات پر مرکوز ہیں۔

تنوع، مساوات اور شمولیت کو فروغ دینے کے لیے اٹھائے گئے اقدامات سمیت سالانہ رپورٹ میں پائیداری کا انکشاف بھی الگ سے دیا گیا ہے۔

کمائی فی شیئر

مختتمہ سال 30 جون 2025 میں کمپنی کی کمائی فی شیئر مبلغ 1.43 روپے ہے۔

منافع

تنظیم نو کے بعد، کمپنی نے لاہور ہائی کورٹ سے منظور شدہ کریڈٹرز اسکیم آف ارینجمنٹ کے تحت اپنے ری اسٹرکچرڈ قرض کی ادائیگی شروع کر دی ہے اور اسے بروقت ادائیگیوں کو یقینی بنانے کے لیے نقد بہاؤ کا احتیاط سے انتظام کرنا ہوگا۔

اس کے ساتھ ساتھ، توانائی کے بڑھتے ہوئے اخراجات، زیادہ ٹیکسوں اور آپریٹنگ اخراجات نے منافع پر مزید دباؤ ڈالا ہے، جبکہ فروخت کے بڑھتے ہوئے حجم نے ورکنگ کیپیٹل کی ضرورت کو بڑھا دیا ہے۔ اس سے کمپنی کو آپریشن کی حمایت اور لیکویڈیٹی کی حفاظت کے لیے اندرونی وسائل کو استعمال کرنے کی ضرورت پڑ گئی ہے۔

ان عوامل کے پیش نظر، کمپنی کے پاس فی الحال منافع کی تقسیم کے لیے اضافی فنڈز نہیں ہیں۔ اس کے باوجود، کاروباری اور مالی حالات بہتر ہونے پر بورڈ منافع کا اعلان کرنے پر غور کر سکتا ہے۔

نیوز یروکوپن پی پی ٹی ایف سی ریڈیمپشن فنڈ

جیسا کہ منسلک مالی بیانات میں نوٹ 8.4 میں انکشاف کیا گیا ہے، کمپنی 710.17 ملین روپے سالانہ غیر ادا شدہ منافع سے اس ریز روفنڈ میں مختص کر رہی ہے بقایا واجبات 2031 میں 4,971 ملین روپے واجب الادا ہیں، کو پورا کرنے کے لیے۔

اہم خطرات اور غیر یقینی صورتحال

کمپنی کی کارکردگی میں بتدریج بہتری آئی ہے۔ تاہم، اس کے آپریشنز مختلف خطرات اور غیر یقینی صورتحال سے دوچار ہیں۔ اہم خطرات میں شامل ہیں:

1۔ مسابقتی دباؤ

گھریلو مارکیٹ کے اندر اور علاقائی حریفوں سے مسابقت کا تیز ہونا کمپنی کی مستقبل کی آمدنی اور منافع کے لیے ممکنہ خطرہ ہے۔

2۔ تکنیکی ترقی

ٹیکنالوجی میں تیز رفتار ترقی کے لیے مسلسل سرمایہ کاری اور جدت طرازی کی ضرورت ہے۔ جدید ٹیکنالوجی کو بروقت اپنانے اور ان کو مربوط کرنے میں ناکامی مقامی اور بین الاقوامی دونوں منڈیوں میں کمپنی کی مسابقت کو متاثر کر سکتی ہے۔

3۔ عالمی تجارتی حرکیات اور ٹیرف کا سامنا

عالمی طلب میں اتار چڑھاؤ، صارفین کی ترجیحات میں تبدیلی، اور بڑھتے ہوئے تحفظ پسند تجارتی اقدامات ٹیکسٹائل کی صنعت کو متاثر کرتے رہتے ہیں۔ خاص طور پر، امریکہ کی طرف سے پاکستان سے ٹیکسٹائل کی درآمدات پر محصولات کا نفاذ یا اضافہ، بشمول باہمی محصولات کو حتمی شکل دینا، برآمدات کے حجم، مارجن اور مجموعی سیکٹر کی مسابقت کو بری طرح متاثر کر سکتا ہے۔

4۔ پالیسی اور ریگولیٹری ماحولیات

حکومت پاکستان پانچ سالہ ٹیکسٹائل اور ملبوسات کی پالیسی (2025-30) کو حتمی شکل دینے کے عمل میں ہے۔ پالیسی فریم ورک اور متعلقہ حکومتی اقدامات کا برآمدی منڈیوں میں ٹیکسٹائل سیکٹر کی مسابقت پر اہم اثر پڑے گا، اس طرح کمپنی کے آپریٹنگ ماحول پر براہ راست اثر پڑے گا۔

مالیاتی رسک مینجمنٹ سے متعلق انکشاف نوٹ 52 کے تحت مالیاتی بیانات میں فراہم کیا گیا ہے۔

بیلنس شیٹ کے بعد کے معاملات

مالیاتی سال کے اختتام جس سے یہ بیلنس شیٹ متعلقہ ہے سے لیکر ڈائریکٹرز رپورٹ کی تیاری کی تاریخ تک کوئی بڑی تبدیلی جس کا مالیاتی حالت پر اثر ہو نہیں ہے۔

متعلقہ پارٹیز سے لین دین

کمپنی نے اپنے تمام متعلقہ پارٹیز لین دین کو جائزہ اور منظوری کے لئے آڈٹ کمیٹی اور بورڈ آف ڈائریکٹر کے سامنے پیش کیا۔ تمام لین دین کو متعلقہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹر کے اجلاس میں منظور کیا گیا ہے۔ متعلقہ پارٹیز کے ساتھ لین دین کی تفصیلات منسلک شدہ سال مختتمہ 30 جون 2025 کے مالیاتی اسٹیٹمنٹس کے نوٹ 49 میں مہیا کی گئیں ہیں۔

کارپوریٹ بریفنگ سیشن

کمپنی نے 25 نومبر 2024 کو کارپوریٹ بریفنگ سیشن کا انعقاد کیا ہے۔ پریزنٹیشن کمپنی کی ویب سائٹ www.azgard9.com پر موجود ہے۔

کارپوریٹ گورننس، مالیاتی رپورٹنگ اور انٹرنل کنٹرول سسٹمز

ہم رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں:

☆ کمپنی کی انتظامیہ کی طرف سے تیار شدہ مالیاتی اسٹیٹمنٹس کمپنی کی حالت، اس آپریشنز، کیش فلو اور ایکوٹی میں ہونے والی تبدیلیوں کے متعلق نتائج صحیح

طور پر بتاتی ہیں۔

☆ کمپنی کے اکاؤنٹس کو مناسب طریقے میں رکھا گیا ہے۔

☆ مالیاتی اسٹیٹمنٹس کی تیاری تسلسل کیساتھ متعلقہ اکاؤنٹنگ پالیسی کے تحت ہے اور اکاؤنٹنگ حسابات، مناسب اور محتاط فیصلہ پر کئے گئے ہیں۔

☆ عالمی مالیاتی رپورٹنگ معیارات جیسا کہ پاکستان میں لاگو ہیں مالیاتی اسٹیٹمنٹس کی تیاری میں ان کو اپنایا گیا ہے اور کسی قسم کی کمی کی صورت میں مناسب وضاحت کی گئی ہے۔

☆ کمپنی کے اندرونی کنٹرول میں موثر طریقہ سے عمل درآمد اور نگرانی کی گئی ہے تاکہ کمپنی کی پالیسیز و طریقہ کار پر قابو پانے کو یقینی بنانے پر زور دیا ہے تاکہ کسی بے قاعدگی کی صورت میں کمپنی بروقت طور پر اس کو درست کر سکے۔

☆ بورڈ مطمئن ہے کہ کمپنی کی حیثیت ایسی ہے کہ یہ کام کرتی رہے گی۔

☆ پچھلے چھ سال کے قلیدی آپریٹنگ اور مالیاتی اعداد و شمار منسلک کئے گئے ہیں۔

☆ 30 جون 2025 تک ٹیکسز، ڈیوٹیز، لیویز اور اخراجات کی مد میں کوئی ادائیگی بقایا نہیں ہے ماسوائے ان کے جو مالیاتی اسٹیٹمنٹس میں بیان کی گئی ہیں۔

☆ سال کے دوران، کمپنی کے سی ای او جناب احمد ہمایوں شیخ نے 15,100,000، 8,033,845 اور 172,000 عمومی حصص اپنے والد، والدہ اور شریک حیات سے بالترتیب بطور تحفہ وصول کیے۔

☆ تمام ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام (DTP) کی سرٹیفکیشن حاصل کی ہے یا سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے چھوٹ حاصل کی ہے۔

31 جولائی 2019 کو معزز لاہور ہائی کورٹ کے حکم نامے کے ذریعے منظور شدہ قرض دہندگان کی اسکیم کے تحت کمپنی نے فیصل بنک لمیٹڈ کو 193.52 ملین روپے کے سکوک سرٹیفکیٹ جاری کئے شریعہ ایڈوائزر نے سکوک کے اجراء کو بیرونی آڈٹ سے سکوک (پرائیویٹلی پلیسڈ) ریگولیشنز 2017 کیضابطہ (1)12 کے تحت مثتثنیٰ قرار دیا ہے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت بہترین طریقوں کی اسٹیٹمنٹ آف کمپلائنس اس سالانہ رپورٹ میں مہیا کی گئی ہے۔

بورڈ آف ڈائریکٹرز

کمپنی کے بورڈ کے زیادہ ڈائریکٹرز بنیادی طور پر غیر جانبدار / نان ایگزیکٹیو ہیں جو شفافیت اور اچھی کارپوریٹ گورننس کی وجہ بنتے ہیں۔ نان ایگزیکٹو ڈائریکٹرز کمپنی کیلئے کاروبار، گورننس اور قانون کا وسیع تجربہ رکھتے ہیں۔ قیمتی مشورے دیتے ہیں اور کمپنی کے اونچے درجہ کے معاملات کے قانونی اصولوں اور کارپوریٹ کمپلائنس کو یقینی بناتے ہیں۔

ڈائریکٹرز کی معلومات / تشکیل اور بورڈ کمیٹیوں کے ممبران کے نام درج ذیل ہیں۔

بورڈ آف ڈائریکٹرز کی مجموعی تعداد آٹھ ہے (بشمول چیف ایگزیکٹو آفیسر) تفصیل مندرجہ ذیل ہے۔

اے) مرد 7 بی) خاتون 1

بورڈ کی ترتیب مندرجہ ذیل ہے:

i	آزاد ڈائریکٹرز	جناب عابد حسین جناب احسان احمد
ii	نان ایگزیکٹو ڈائریکٹرز	جناب زاہد محمود محترمہ ملیحہ صاردہ اعظم جناب ناصر علی خان بھٹی سید حسن اکبر کاظمی جناب عثمان رشید
iii	ایگزیکٹو ڈائریکٹرز	جناب احمد ایچ شیخ
iv	خاتون ڈائریکٹر	محترمہ ملیحہ صاردہ اعظم

بورڈ ز کمیٹیوں کے ممبران کے نام مندرجہ ذیل ہیں:

i	آڈٹ کمیٹی	جناب احسان احمد۔ چیئرمین جناب ناصر علی خان بھٹی۔ ممبر جناب عثمان رشید۔ ممبر
ii	ہیومن ریسورس اینڈ معاوضہ کمیٹی	جناب احسان احمد۔ چیئرمین محترمہ ملیحہ صاردہ اعظم۔ ممبر جناب احمد ایچ شیخ۔ ممبر

سال مختتمہ 30 جون 2025 کے دوران ڈائریکٹرز کے نام جنہوں نے بورڈ اور کمیٹیز میں خدمات انجام دیں، کے میٹنگز کی تعداد اور ہر ڈائریکٹر کی حاضری کی تفصیل مندرجہ ذیل ہے۔

بورڈ آف ڈائریکٹرز کی میٹنگز

بورڈ آف ڈائریکٹرز کی سال کے دوران چار میٹنگز 01 جولائی 2024 تا 30 جون 2025 تک منعقد ہوئی ہیں۔

ڈائریکٹرز کے نام	اہلیت	حاضری
جناب زاہد محمود	4	4
جناب عابد حسین	4	4
جناب احسان احمد	4	4
محترمہ ملیحہ صاردہ اعظم	4	4
جناب ناصر علی خان بھٹی	4	4
سید حسن اکبر کاظمی	4	4
جناب عثمان رشید	4	4
جناب احمد ایچ شیخ	4	4

ہیومن ریسورس اور معاوضہ کمیٹی (HRRC) کی میٹنگز

سال 01 جولائی 2024 تا 30 جون 2025 کے دوران دو میٹنگز منعقد ہوئی ہیں۔

ڈائریکٹرز کے نام	اہلیت	حاضری
جناب احسان احمد	2	2
محترمہ ملیحہ صاردہ اعظم	2	2
جناب احمد ایچ شیخ	2	2

آڈٹ کمیٹی کی میٹنگز

سال 01 جولائی 2024 تا 30 جون 2025 تک چار میٹنگز منعقد ہوئی ہیں۔

ڈائریکٹرز کے نام	اہلیت	حاضری
جناب احسان احمد	4	4
جناب ناصر علی خان بھٹی	4	4
جناب عثمان رشید	4	4

بورڈ کی کارکردگی کا جائزہ

بورڈ اور بورڈ کی کمیٹیوں کے ارکان کی سالانہ کارکردگی کے جائزہ کیلئے رسمی اور موثر طریقہ کار موجود ہے۔ M/S PKF F.R.A.N.T.S. (PKF) چارٹرڈ اکاؤنٹنٹس کو 30 جون 2025 کے لئے آزادانہ کارکردگی کے جائزہ کیلئے مقرر کیا گیا ہے۔ PKF کا آئی کیپ کے QCR میں تسلی بخش درجہ ہے اور آڈٹ اوورسائیٹ بورڈ میں رجسٹرڈ ہے جس کا تقرر کیا گیا ہے تاکہ بورڈ کی کارکردگی مجموعی طور پر اور بورڈ ممبران کی کارکردگی انفرادی طور پر اور بورڈ/ کمیٹیوں (آڈٹ کمیٹی اور HRR کمیٹی) کمپنی کی طے کردہ اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے وضع کردہ طریقہ کار کے مطابق کارکردگی کا جائزہ لیں اور اپنی سفارشات کے ساتھ اپنی رپورٹ پیش کریں تاکہ کمپنی کے گورننگ سٹرکچر میں بہتری لائی جا سکے۔

بورڈ کی مجموعی کارکردگی پر چیئرمین کی طرف سے جائزہ رپورٹ منسلک ہے۔

ڈائریکٹرز کا مشاہرہ

کمپنی میں اپنے (ایگزیکٹو اور آزاد/نان ایگزیکٹو) ڈائریکٹر اور سینئر مینجمنٹ کے ممبران کے لئے بورڈ آف ڈائریکٹرز سے منظور شدہ مشاہرہ پالیسی موجود ہے۔ پالیسی کو ایسے تیار کیا گیا ہے کہ یہ HR کی حکمت عملی کا حصہ ہے اور دونوں کاروبار کی حکمت عملی کے لئے مددگار ہیں۔ بورڈ کو یقین ہے کہ متعلقہ پالیسی کارآمد ہے اور بہترین ایگزیکٹوز اور ڈائریکٹرز کو راغب کرتی ہے۔ تاکہ وہ کمپنی کے ساتھ منسلک رہیں اور اس کو بہتر انداز میں چلا سکیں اور ڈائریکٹرز، ایگزیکٹوز اور حصہ داران کے درمیان رابطہ کا باعث بنیں۔ پالیسی کا مقصد ڈائریکٹرز اور سینئر انتظامیہ کو گوورننس اور کارکردگی کے لئے جواب دہ بنانا ہے جس میں معاوضہ کا تعین اور ادئیگی شامل ہے۔

چیف ایگزیکٹو کے مشاہرے کی تفصیلات مندرجہ ذیل ہیں۔

	چیف ایگزیکٹو روپے
مینیجرل مشاہرہ	27,999,996
میڈیکل	2,799,997
یوٹیلیٹی اور ہاوس رینٹ	11,200,006
بونس	28,354,655
بعد از ملازمت فوائد	2,692,307
	73,046,961

کمپنی اپنے نان ایگزیکٹو، آزاد ڈائریکٹرز کو بورڈ اور کمیٹیوں کی میٹنگز میں شرکت کیلئے معاوضہ ادا کر رہی ہے۔ متعلقہ مشاہرہ/ میٹنگ فیس کی معلومات جو ڈائریکٹرز کو ادا کی گئیں منسلک شدہ مالیاتی اسٹیٹمنٹس 30 جون 2025 کے نوٹ 57 میں بھی بیان کی گئی ہیں۔

آڈیٹرز کی تعیناتی

میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس نے کمپنی کے ساتھ اپنی تقرری کی مدت مکمل کی ہے اور اہل ہونے کے ساتھ اپنی خدمات کو اگلی مدت کیلئے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر آنے والے سال کے لئے دوبارہ تعیناتی کیلئے کمپنی کے آڈیٹر کے طور پر میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کا نام تجویز کیا ہے۔ آڈٹ کمیٹی نے بورڈ آف ڈائریکٹرز کو اور مزید بورڈ آف ڈیئر یکٹرز نے چیف ایگزیکٹو آفیسر کو آڈیٹرز کے مشاہرہ کے تعین کے لئے مجاز کیا ہے۔

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز پر مشتمل ایک مکمل فعال آڈٹ کمیٹی تین ممبران پر مشتمل ہے جس میں سے دو نان ایگزیکٹو ڈائریکٹرز ہیں اور ایک غیر جانبدار ڈائریکٹر ہے۔ کمیٹی کی ٹرم آف ریفرنس لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق بورڈ آف ڈائریکٹرز نے وضع کی ہے، پس اس میں یقینی شفاف انٹرنل آڈٹ، اکاؤنٹنگ اور انتظامی کنٹرول رپورٹنگ سٹرکچر اور کمپنی کے اثاثہ جات کو محفوظ کرنا شامل ہیں۔

انٹرنل آڈٹ فنکشن

بورڈ نے انٹرنل آڈٹ فنکشن کو .M/s PKF F.R.A.N.T.S، چارٹرڈ اکاؤنٹنٹس (PKF انٹرنیشنل لمیٹڈ کی ایک رکن فرم) کو آؤٹ سورس کر دیا ہے جنہیں اس مقصد کے لئے موزوں اور تجربہ کار سمجھا جاتا ہے اور کمپنی کی پالیسیوں اور طریقہ کار سے واقف ہیں۔ مزید برآں، کمپنی کے ایک کل وقتی ملازم کو ضابطوں کے تحت مطلوبہ انٹرنل آڈٹ کے سربراہ کے طور پر نامزد کیا گیا ہے۔ انٹرنل آڈٹ کے نتائج کا آڈٹ کمیٹی جائزہ لیتی ہے اور جہاں ضروری ہو، انٹرنل آڈٹ رپورٹس میں موجود سفارشات کی بنیاد پر کاروائی کی جاتی ہے۔

رسک فریم ورک اور انٹرنل کنٹرول سسٹم

رسک گورننس اینڈ انٹرنل کنٹرول اقدامات کی پالیسی بورڈ آف ڈائریکٹرز سے منظور شدہ ہے جو کہ تعین کرتی ہے کہ تمام تر تنظیم میں کمپنی کیسے رسک اور انٹرنل کنٹرول فریم ورک کو لاگو کئے ہوئے ہے۔

پالیسی کا مقصد مندرجہ ذیل ہے۔

☆ رسک مینجمنٹ کا ڈھانچہ ایسا ہے کہ کمپنی اپنے کاروباری مقاصد حاصل کر سکے۔

☆ ایسا طریقہ کار رسک انتظامیہ کو وضع کرنا، جس کی کمپنی کو خطرہ پر قابو کرنے کے لئے ضرورت ہو۔

☆ تنظیم میں رسک انتظامیہ کے لئے واضح ملکیت اور جوابدہی پیدا کرنا۔

☆ کمپنی کی رسک پالیسی کی نوعیت کا تعین اور رسک مینجمنٹ کے لئے وسیع سوچ۔

☆ ایسے گورننس ڈھانچے کی تشخیص جو کہ رسک مینجمنٹ عمل کا احاطہ کرے۔

شیئر ہولڈنگ پیٹرن

شیئر ہولڈنگ پیٹرن 30 جون 2025 منسلک کیا گیا ہے۔

شیئر کیپیٹل کی نوعیت اور اقسام

کمپنی نے اداشدہ حصص سرمایہ عمومی حصص اور نان ووٹنگ عمومی حصص پر مشتمل ہے۔ عمومی حصص کو تمام حقوق اور مرعات، بشمول حق رائے دہی لاگو قوانین کے مطابق حاصل ہیں۔ نان ووٹنگ عمومی حصص داران کو حق رائے دہی، حاضری اور اجلاس کا نوٹس وصول کرنے کا حق حاصل نہیں، سوائے وہ حقوق جو کسی اور قوانین میں مہیا کیے گئے ہیں۔ البتہ نان ووٹنگ حصص داران کو تمام عمومی حصص والے دیگر حقوق حاصل ہیں، بشمول منافع کا حق اور کمپنی کے اثاثوں میں حصہ کا حق، وآنڈنگ اپ پر۔

ویب موجودگی

کمپنی کی سالانہ اور عبوری مالیاتی سٹیٹمنٹس، شیئر ہولڈزا اور دیگر کی معلومات کیلئے ایز گارڈ نائن کی ویب سائٹ www.azgard9.com پر موجود ہے۔

اعتراف

ہم خلوص دل سے اپنے قابل قدر صارفین کے اعتماد، اپنے مالیاتی شراکت داروں کی غیر متزلزل حمایت، اور اپنے ملازمین کی لگن کو تسلیم کرتے ہیں جن کی محنت کمپنی کو آگے بڑھاتی ہے۔ ہم تمام اسٹیک ہولڈرز کا بھی تہہ دل سے شکریہ ادا کرتے ہیں، جن کی مسلسل حمایت ہماری ترقی کا سنگ بنیاد ہے۔

اس اجتماعی عزم کے ساتھ، ہمیں یقین ہے کہ کمپنی اپنی مالی کارکردگی کو مستحکم کرتی رہے گی اور مستقبل میں زیادہ کامیابیاں حاصل کرے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے

چیف ایگزیکٹو آفیسر

چیئرمین

30 ستمبر 2025۔

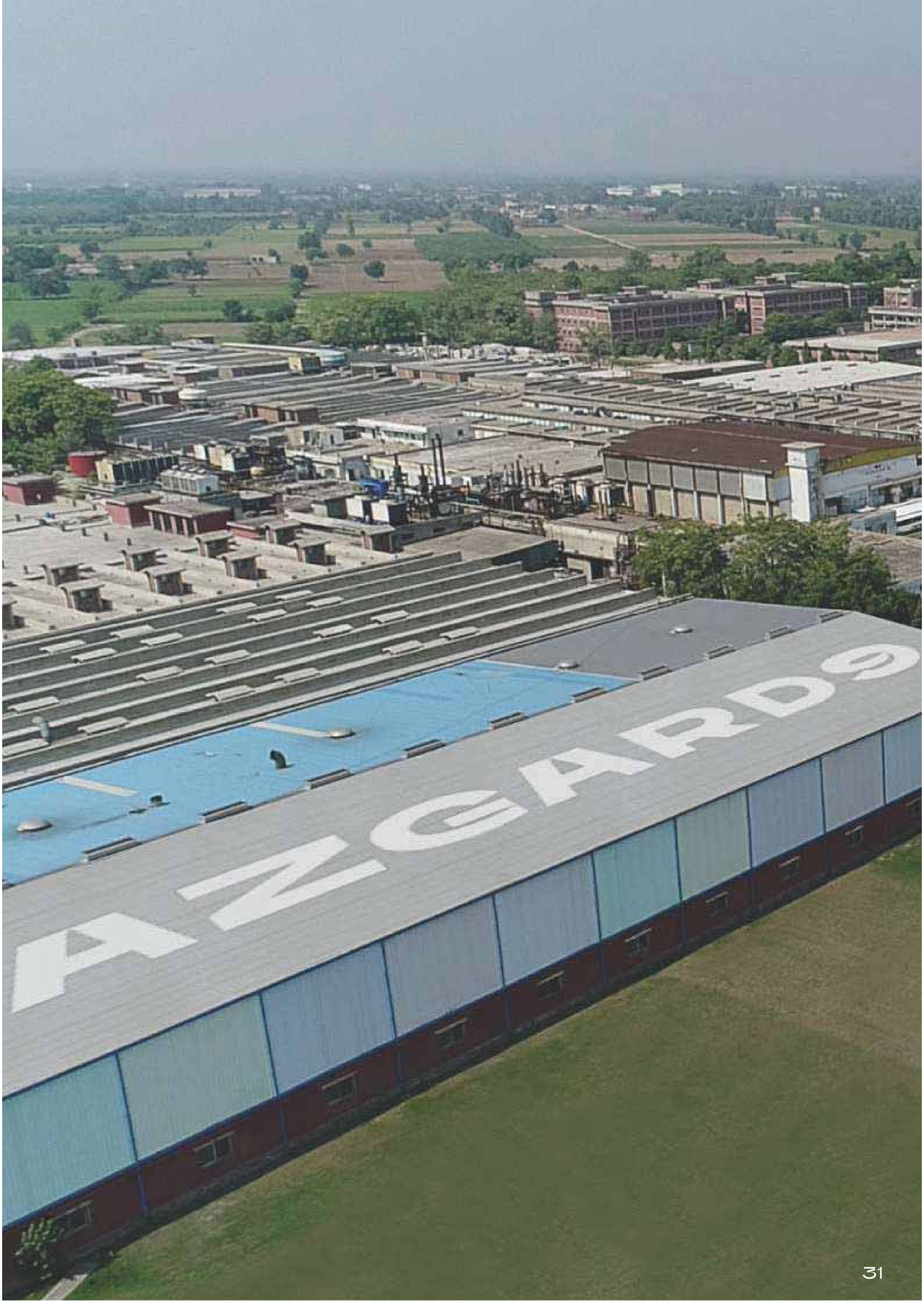
CONTINUED COMMITMENT

SUSTAINABILITY DISCLOSURE 2025

This report highlights the impact we have made in fulfilling our commitment to the planet and its people.

AZGARD9

AZGARD9


AZGARD9

OVER 121 YEARS OF EXCELLENCE

OUR COMMITMENT

Our commitment to sustainability has been acknowledged by leading global accreditation bodies, proving our leadership in eco-friendly practices. This commitment is integral to our design principles, where our state-of-the-art technology guarantees that every product, we manufacture, is optimized for water efficiency, energy reduction and use of recycled materials. The impact of our efforts extends beyond environmental benefits, as we prioritize the well-being of planet, the quality of products and the welfare of people.

OUR MISSION

Our goal is to become a zero waste and carbon neutral company by 2030. We intend to recycle all our industrial waste and offset the total CO_2 emissions from the facility.

OUR CAPACITIES

YARN
15K ton/year

FABRIC
42 million meters/year

GARMENT
13 million pcs/year

TURNOVER
$145 million

EMPLOYEES
8310

WE ARE A WORLD LEADING

MANUFACTURER

ESTABLISHING THE STANDARDS THAT OTHERS ASPIRE TO

SUSTAINABILITY APPROACH

Our approach to main stream sustainability is focused on Planet, Product and People.

3PS'

PLANET — More than 50% reduction in water consumption

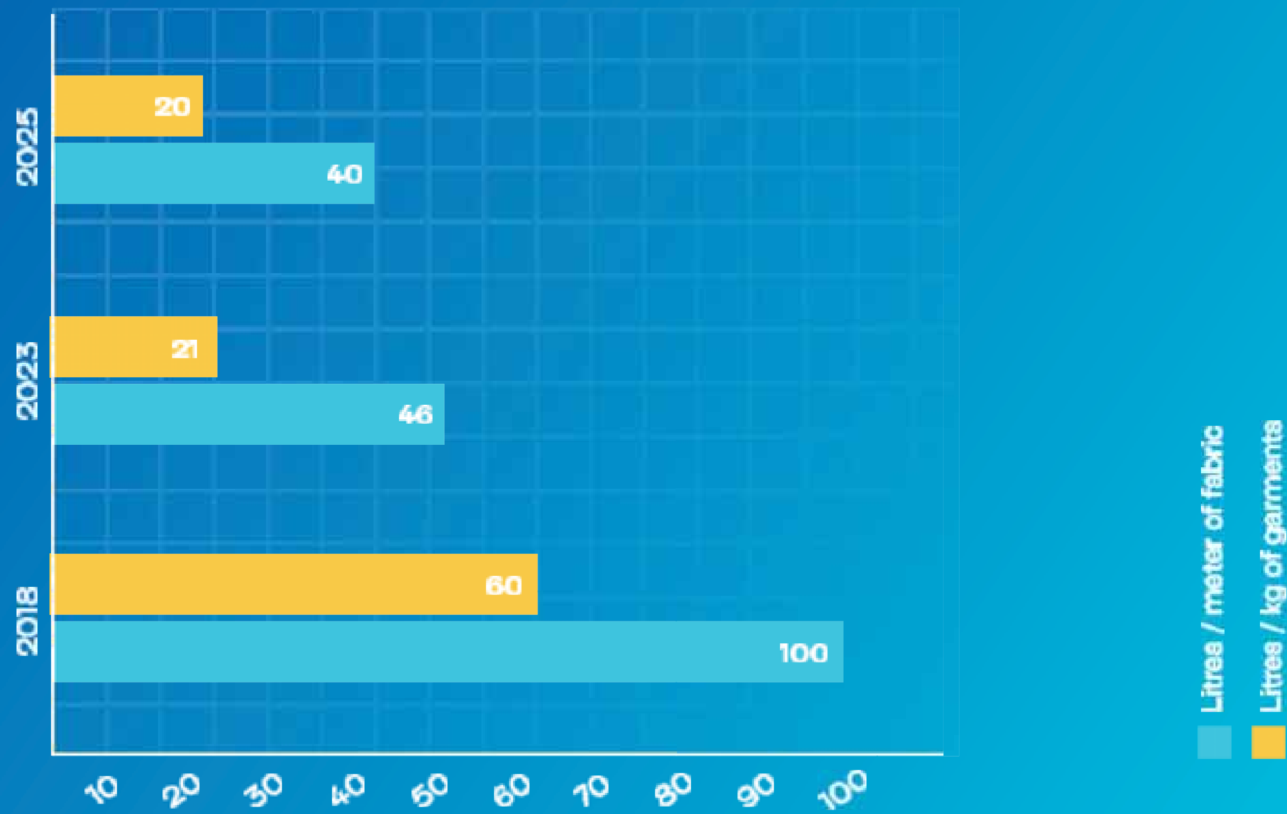
PRODUCT — Upto 60% recycled materials content

PEOPLE — Well Being : Social, Professional and Environmental

We continue to meet the highest level of sustainable productions standard by **OEKO TEX STeP**

WATER STEWARDSHIP

We are taking proactive measures to minimise the water consumption in producing fabrics and garments.



OVER 50% REDUCTION IN WATER CONSUMPTION

One of the lowest water consumption in the industry acknowledged by "GREEN TO WEAR"

RENEWABLE

THE WAY FORWARD

2.5MW

SOLAR ENERGY

ENVIRONMENTAL BENEFITS (Annually)

732 TONS COAL SAVED	886 TONS CO_2 REDUCED	1,212 EQUIVALENT TREES PLANTED

99%

of Thermal Energy from Renewable Sources

Delivering and moving ahead of our commitment

CHEMICALS & WASTE MANAGEMENT

CHEMICALS

Ø ZDHC

Ranked among top **3%** manufacturers globally. **100%** of our chemicals comply with the top level of ZDHC - Level 3.

CHEMISTRY

Using REACH & BlueSign approved chemistry. Our products meet RSL & MRSL requirements of the customers worldwide.

EFFLUENT QUALITY

ZLD

Target achieved for Aspirational level before 2025. Our ultimate goal is to achieve ZERO liquid discharge by 2030.

WE ARE ESTABLISHING THE STANDARDS THAT OTHERS ASPIRE TO.

GLOBALLY RECOGNISED

Our achievements have been acknowledged by globally renowned third-party accrediting bodies.

STANDARD JOIN LIFE

CARE FOR PLANNET
Produced Using Renewable Energy

CARE FOR FIBER
Ecologically Grown Cotton

CARE FOR WATER
Produced Using Less Water

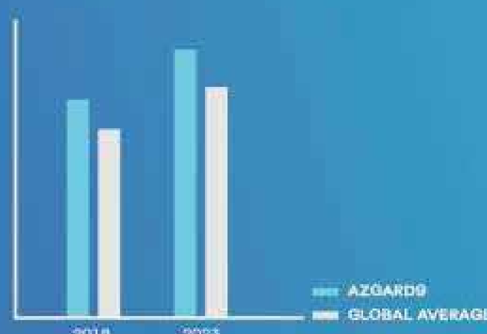
OEKO TEX®
STeP

ACHIEVED THE **HIGHEST LEVEL (3)**

First in Pakistan to be entitled for "CARE FOR WATER" & "CARE FOR PLANET"

Higg Index

FAR AHEAD
OF GLOBAL AVERAGE.



COMMITTED TO MAINTAINING A LEADING POSITION, GLOBALLY

TRADEMARKS

Industry Leading Innovations

ORBIT

Solution-based recycling of textile waste using RENEWCELL fibers.

RGEN9

Made from regenerative cotton.

REVIVE

Recycled fibres from post consumer and industrial waste.

DENIM9

100% Bio-degradable Jeans.

EVER FIT

A shape memory denim. engineered for the best fit.

AMBI CLEAR

Energy efficient. zero salt, zero steam dyeing technology.

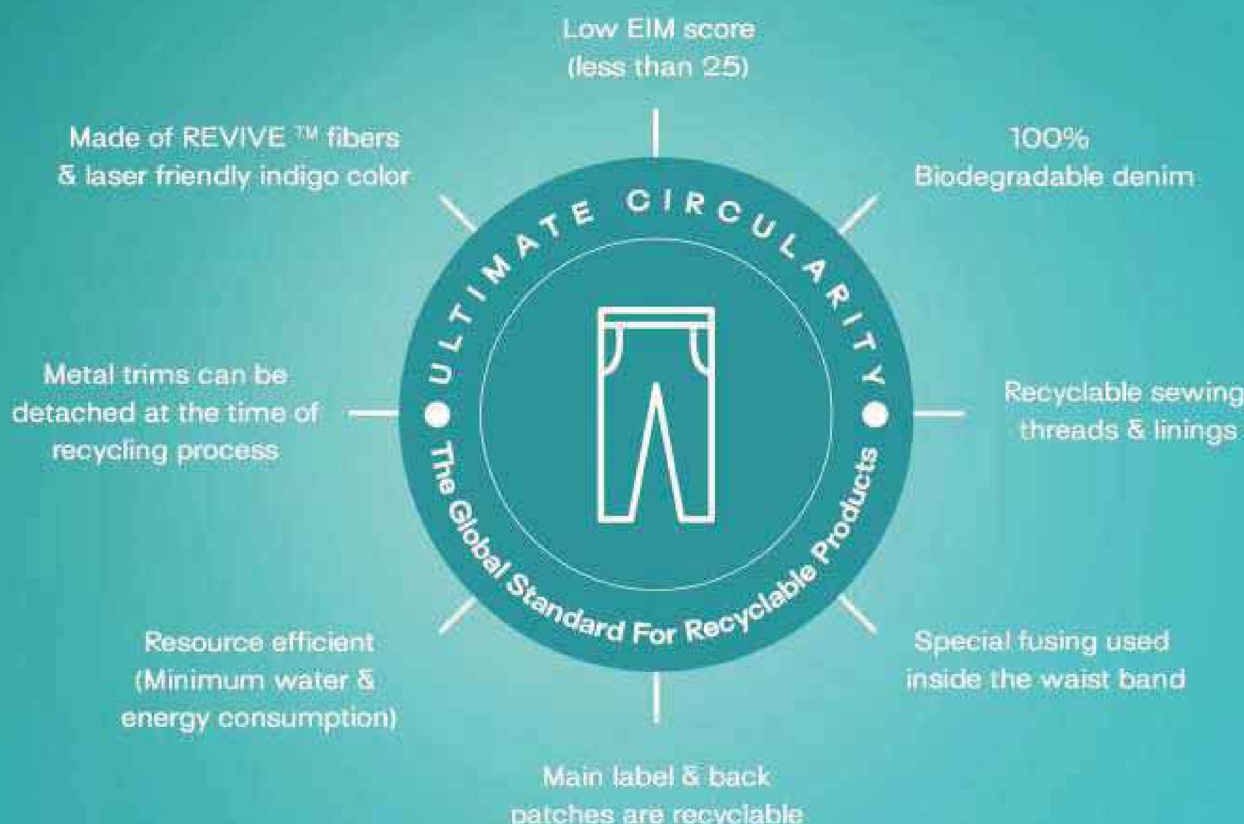
ARCANE

Denim free from the elastane slippage.

COMMITMENT DELIVERED

DENIM 9.0™

Our Denim 9.0™ collection is carefully crafted to ensure its longevity and recyclability. Every detail, from the fabric to the linings and patches, is designed with recyclability in mind.



THE GLOBAL STANDARD FOR RECYCLABLE PRODUCTS

REVIVE™

State-of-the-art process for recycling post-industrial and post-consumer cotton waste. We are producing high-quality materials that the industry could use to create new yarns and fabrics.

PRODUCT OFFERINGS

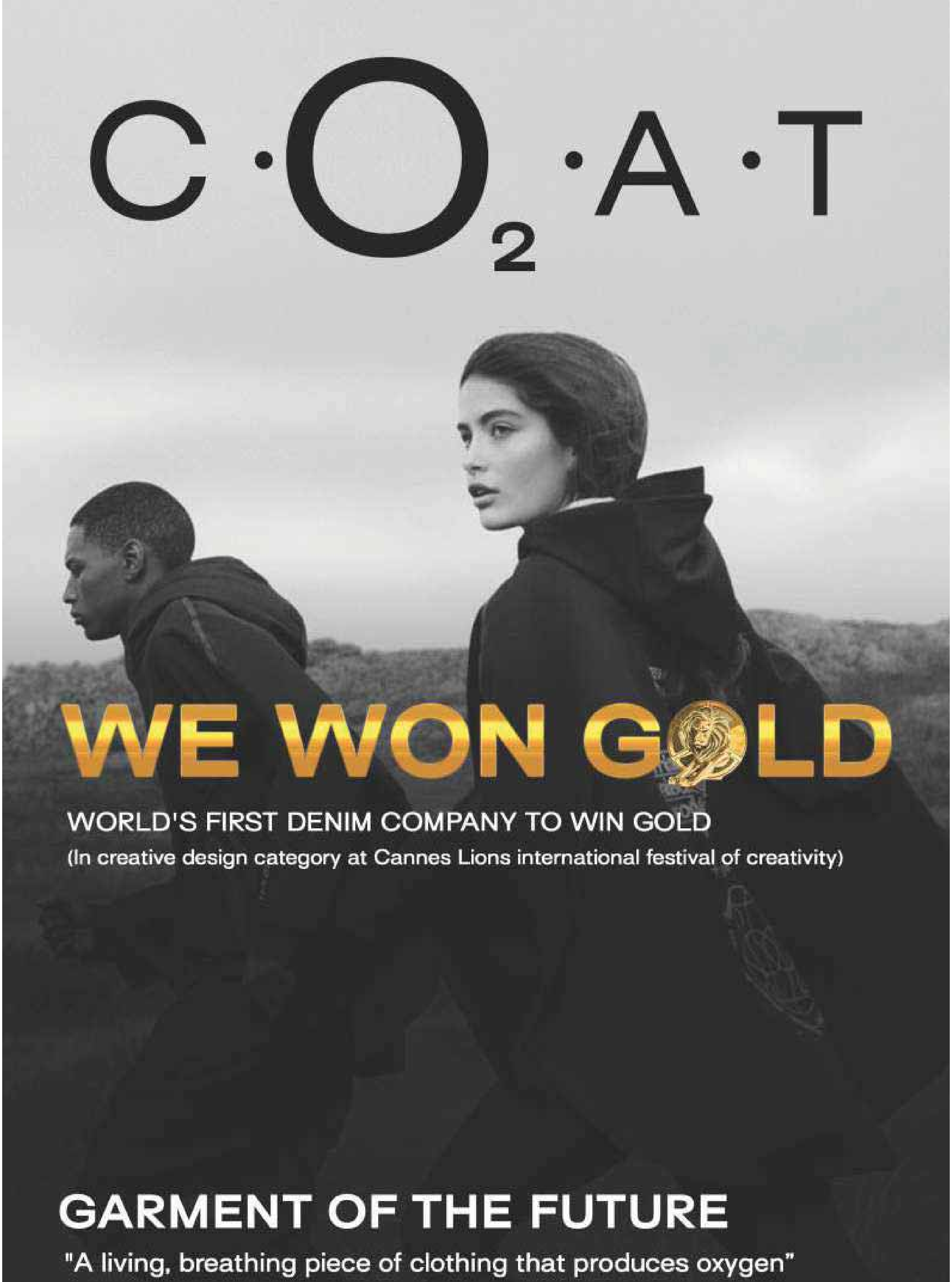
YARNS
Upto 60% recycled content

FABRICS
Upto 30% recycled content

GARMENTS
Upto 30% recycled material

RECYCLED POLYESTER
Through collaboration we offer recycled polyester with embedded translucent tracer

PIONEER IN CIRCULAR FASHION TECHNOLOGY


C·O2·A·T
WE WON GOLD
WORLD'S FIRST DENIM COMPANY TO WIN GOLD
(In creative design category at Cannes Lions international festival of creativity)
GARMENT OF THE FUTURE
"A living, breathing piece of clothing that produces oxygen"

GLOBAL ACCREDITATIONS

Our commitment to maintaining the highest levels of quality and excellence.

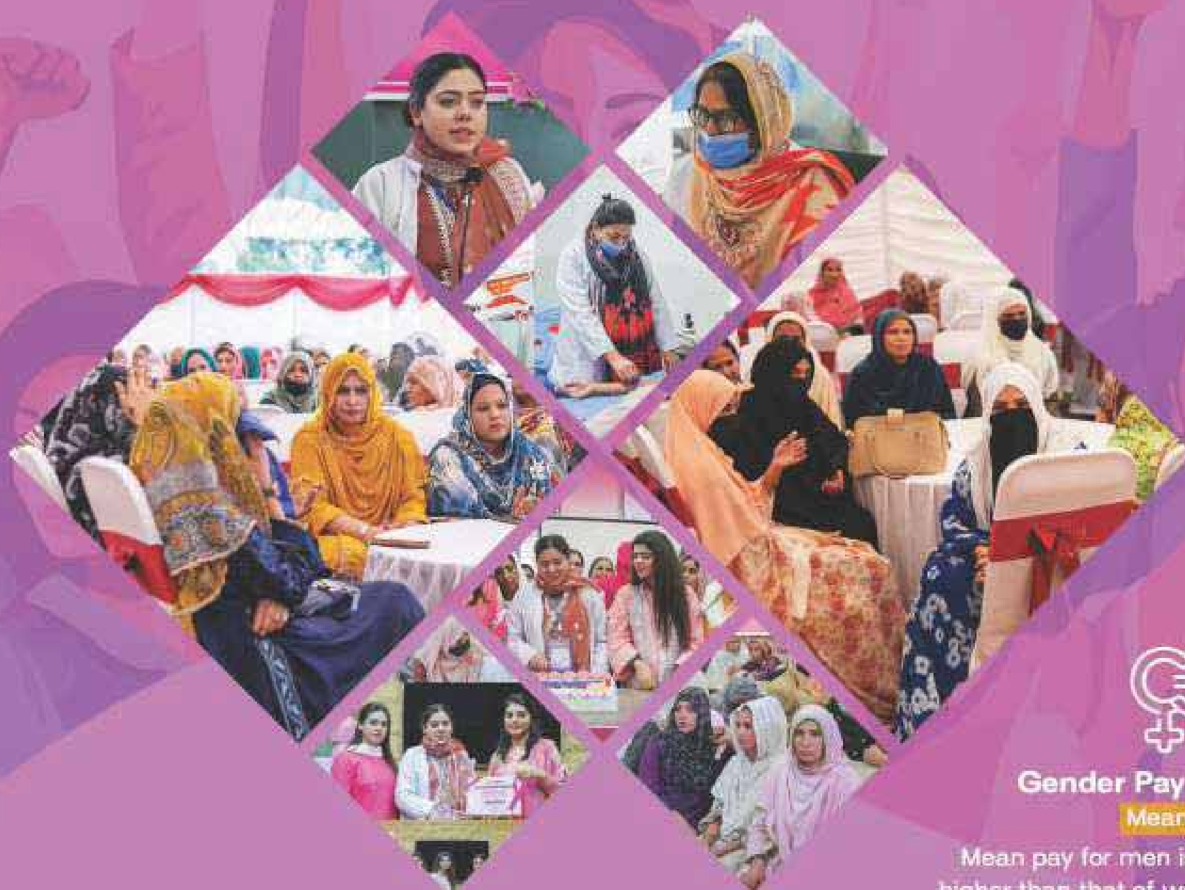
GLOBAL PARTNERSHIPS

ACHIEVING EXCELLENCE AND DRIVING PROGRESS IN ALL THAT WE DO.

INTERNATIONAL CUSTOMERS

MELON FASHION GROUP	ZARA	PULL&BEAR	LANDS' END
stradivarius	MUSTANG	ONLY	NEW YORKER
MANGO	LPP	next	ICHI
TALLY WEiJL	CALZEDONIA	FASHION NOVA	TAKKO FASHION
LA HALLE	O'STIN	LIBERTO	GJ GLORIA JEANS
AÉROPOSTALE	BLEND	Ernsting's family	MOHITO
MEDICINE	TIFFOSI	fransa	RESERVED

WOMEN EMPOWERMENT



Gender Pay Gap

Mean Gap

Mean pay for men is **17%** higher than that of women.

Median Gap

Median pay for men is **41%** higher than that of women.

WELFARE COMMUNITY CENTRE

We established a community welfare center with a dedicated focus on empowering women. This center offers free operational training opportunities, equipping women with the tools they need to succeed.

Our mission goes beyond skill-building;
we are committed to fostering an environment where:

- → Honesty is paramount
- → Self-esteem is nurtured
- → Mentorship is encouraged
- → Every individual's worth is recognized
- → Girls remain in school
- → Negativity is challenged
- → Injustice is confronted
- → Female colleagues are fully supported

SUSTAINABILITY CHALLENGES AND CONTROL MEASURES

The Company commits to a comprehensive sustainability strategy aligned with global best practices and regulatory requirements. The Company has outlined its priorities, actionable targets, governance frameworks, and key initiatives to drive environmental stewardship, social responsibility, governance and economic resilience. The Board has assigned sustainability related responsibilities to Human Resource and Remuneration Committee.

The Company's sustainability challenge identifies and addresses principal risks. The Company conducts regular reviews and performance assessments to evaluate the financial and operational impacts of the risks.

The Company has defined specific goals/targets and action plan for managing environment related risks: water reduction through machine and process upgrades; wastewater recycling improvement; carbon footprint reduction via solar, biomass, and energy-efficient equipment; chemical reduction using eco-friendly alternatives; enhanced waste recycling; and health and safety improvements through training and risk management. Progress is monitored to ensure accountability and effective implementation. Real-time data is monitored through properly designed evaluation sheets. ANL aligns its sustainability strategy with the UN SDGs to contribute to broader climate action. Operational optimization is driven by material innovation (natural indigo development) and implementation of POWER BI to analyze and report real time manufacturing highlighting areas requiring intervention for better productivity and efficiency. Customer collaboration is made by hosting annual visits and supplier assessment is conducted by onsite evaluations for local and virtual for international suppliers. Stakeholder feedback is regularly gathered through different forums and integrated into sustainability planning.
Sustainability initiatives also lead to manage/mitigate risks including customers and stakeholders trust and reputation as well as reduced financial costs.

The Company's CSR encompasses economic, legal, ethical and philanthropic responsibilities and ensure that the activities leave a perceptible impact on the lives of target beneficiaries. ANL considers employees as its assets and is committed to provide best possible employment conditions and working environment. The Company is committed to contribute to the health and wellbeing of the local community and employees. CSR activities include medical camps, vocational trainings, distribution of general food items in local community, educational camps, plantation, environment protection campaigns like 'go plastic free', 'conserve water' and celebrations like Christmas, Independence Day, Women's Day, Eids, etc. Diversity, Equity and Inclusion (DE&I) is also considered as social obligation and measures are taken to promote DE&I that are disclosed in this report. All these initiatives effectively manage/mitigate the relevant risks including stakeholders'/customers' trust and reputation.

Governance is also top priority at ANL that includes board quality, independence, and accountability; and the board's oversight of strategy, risk management, performance and disclosure including sustainability. The Company is committed to strengthen ethical frameworks, internal controls, corporate governance structures, ensure regulatory compliance, and transparency in reporting and operations. Best efforts are made to effectively collaborate with stakeholders' including shareholders and regulators. These initiatives help in managing/mitigating relevant risks including stakeholders' trust, regulatory actions and reputation.

DIVERSITY, EQUITY AND INCLUSION MEASURES

The Company believes that diversity, equity and inclusion (DE&I) is a cornerstone of a just and progressive society. Yet, women face systemic barriers that hinder their full participation in education, employment, leadership, and community life. Promoting their inclusion is not only a social responsibility, but it is a strategic imperative for equitable and sustainable development. Further, differently abled are also important part of our society and require equal opportunities for education, employment and social inclusion.

To ensure measurable impact and sustainable outcomes, ANL has taken certain measures including but not limited to:

Vocational and on-the-job training programs for girls, widows, and women from underserved communities.

Development of mentorship networks and leadership pipelines to empower female role models from marginalized backgrounds.

Facilitation including job placement, career growth, meals & refreshments, pink bus service, safe and better workplace, health & wellness support, placement of female security guards, dedicated washrooms & prayer area, day-care, etc. and for differently abled facilities like ramps, easy walkways, etc.

Collaborations with training centers, local NGOs, & notables to upskill female workers and promote mindset change and community support.

Enforcement of gender-sensitive policies and affirmative actions to ensure representation in governance and employment.

MOMENTS AT AZGARD9

People at the heart of our community

CELEBRATIONS

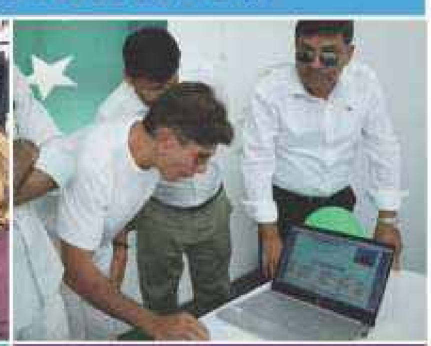
CHRISTMAS DAY

INDEPENDENCE DAY

IFTAR DINNER

EXCELLENCE RECOGNITION

EXIBITIONS



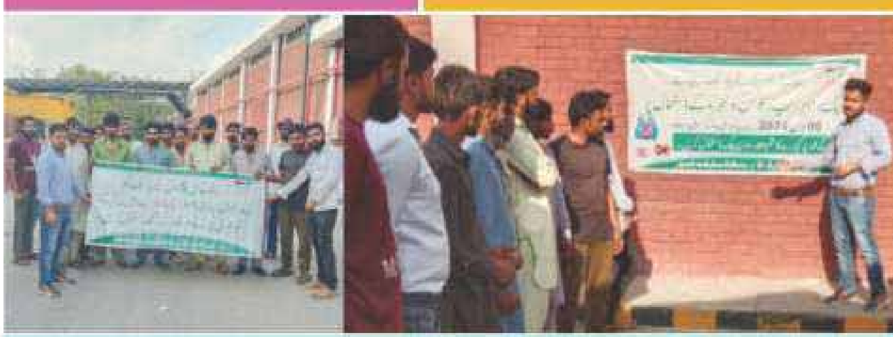
HAJJ LUCKY DRAW

CUSTOMER CENTRIC

AZGARD 9 X UNIVERSTIES JOB FAIR

WOMEN'S DAY

HUMAN CAPITAL DEVELOPMENT



GO PLASTIC FREE

PLANTATION DRIVE

SUBSIDIZED FOOD

TRANSPORT FACILITY

DORMITORIES

AZGARD9

For any inquiries regarding this report please reach out to us at
info@azgard9.com
We appreciate your feedback.
Thank you.

NOTICE OF THIRTY SECOND ANNUAL GENERAL MEETING

Notice is hereby given that Thirty Second Annual General Meeting of the Members of AZGARD NINE LIMITED ('the Company') will be held on Monday, October 27, 2025 at 11:30 am at the Registered Office of the Company Ismail Aiwan-i-Science, Off: Shahrah-i-Roomi, Lahore, Pakistan; to transact the following businesses:

1. To confirm the minutes of Thirty First Annual General Meeting of the Company held on October 28, 2024;

2. To receive, consider and adopt the audited financial statements of the Company for the financial year ended June 30, 2025, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report;

3. To appoint the Statutory Auditors for the year ending June 30, 2026 and to fix their remuneration. The Board of Directors on the recommendation of Audit Committee has recommended the appointment of retiring auditors, Messers Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants who being eligible have offered themselves for re-appointment;

4. To transact any other business with the permission of the Chair.

By order of the Board

MUHAMMAD AWAIS
Company Secretary

October 04, 2025
Lahore

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 21, 2025 to October 27, 2025 (both days inclusive). Transfers received in order at the Office of Company's Share Registrar M/s. Hameed Majeed Associates (Private) Limited, H. M. House, 7-Bank Square, Lahore, Pakistan ('Registrar') at the close of business on October 20, 2025 will be considered in time to attend and vote at the Meeting.

2. Financial Statements for the year ended June 30, 2025 will be available at the website of the Company www.azgard9.com twenty one days before the date of meeting.

   Further, the Company is transmitting Annual Report for the year ended June 30, 2025 through email to those members whose email addresses are available with the Company and through CD/DVD to those members whose email addresses are not available with the Company. However, the members may request a hard copy of Annual Report free of cost and in this respect standard request form is available at the website of the Company www.azgard9.com for convenience of members.

3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

4. In pursuance of Circular No. 4 of 2021 dated February 15, 2021 issued by the Securities and Exchange Commission of Pakistan; the members shall also be entitled to attend this meeting through video link facility/electronic means after completing verification and identification requirements. Members interested in attending this meeting through video link facility/electronic means are requested to register themselves by submitting following particulars at email address companysecretary@azgard9.com before the close of business (i.e. 05.00 pm) on October 23, 2025:

Name	*CNIC No. / Passport No. (in case of foreigner)	Folio No./ CDC Account No.	Mobile No.	No. of Shares Held

   * Please also attach legible scanned copy of CNIC/Passport (in case of foreigner).

   Registration request must be sent through email address available/registered with the Company i.e. provided by CDC in case of shares held in book entry form in CDS or available with the Company in case of shares held in physical form.

The Company will send the link of video/electronic facility and other relevant information to respective members in order to enable them to access the video/electronic facility and attend this meeting. Please note that requirements of Note 5 below shall be followed in case of proxy / representative of corporate body and link of video/electronic facility shall only be sent upon receipt of original documents.

It is clarified that members attending this meeting by availing above facility shall only vote through postal ballot (if required) in accordance with the relevant requirements.

5. The CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. FOR ATTENDING THE MEETING:

i. In case of individuals, the account holders and/or sub-account holders and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or Passport at the time of attending the Meeting.

ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. FOR APPOINTING PROXIES:

i. In case of individuals, the account holders and/or sub-account holders and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.

ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii. Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.

iv. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.

v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

6. Members may avail video conference facility for this Annual General Meeting at Karachi, provided the Company receives consent (standard format is given below) atleast 07 days prior to the date of the Meeting from members holding in aggregate 10% or more shareholding residing at above location.

The Company will intimate respective members regarding venue of the video-link facility before the date of Meeting along with complete information necessary to enable them to access the facility.

"I/we ______________ of __________ being member(s) of Azgard Nine Limited, holder of __________ Ordinary Share(s) as per Registered Folio No./CDC Account No. _________ hereby opt for video conference facility at Karachi in respect of 32nd Annual General Meeting of the Company.

____
Signature of Member"

7. Members can exercise their right to poll subject to meeting of requirement of Section 143 to 145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.

8. No gifts will be distributed at the Meeting.

9. For any query/problem/information, Members may contact the Company at email companysecretary@azgard9.com and/or the Share Registrar of the Company at address given herein above and at (+92 42) 37235081-82, email info@hmaconsultants.com. Members may also visit website of the Company www.azgard9.com for notices/information.

IMPORTANT NOTICES TO SHAREHOLDERS

Members are requested to notify/submit the following information/documents; in case of book entry securities in CDS to their respective participants/investor account services and in case of physical shares to the Registrar of the Company, at the address given herein above, by quoting their folio numbers and name of the Company, if not earlier notified/submitted:

- **Change in Address:** Change in their addresses, if any

- **Submission of copy of CNIC/NTN:** Valid and legible copy of CNIC/Passport (in case of individual) and NTN Certificate (in case of corporate entity). Please note that CNIC number is mandatory for payment of cash dividend and in the absence of this information payment of dividend shall be withheld.

- **Dividend Mandate Information:** Dividend mandate information mentioning title of bank account, International Bank Account Number (IBAN), bank name, branch name, code and address towards direct transfer/credit of cash dividend in your accounts. Please note that all future dividends shall only be paid through online bank transfer as required under Section 242 of the Companies Act, 2017. For convenience, a Standard Request Form has also been made available on the Company's website www.azgard9.com.

- **Email Address:** Valid email addresses as pursuant to Section 223 of the Companies Act, 2017, the Company is allowed to send audited financial statements and reports to its members electronically. For convenience, a Standard Request Form has also been made available on the Company's website www.azgard9.com.

Unclaimed Dividend/Shares

Information of unclaimed dividend/shares has been placed at the website of the Company www.azgard9.com. Respective shareholders are requested to contact Share Registrar of the Company to collect their unclaimed dividend/shares.

Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017; after the commencement of Act from a date notified by the Commission, a company having share capital, shall have shares in book-entry form only. Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission. Therefore, members having shares in physical form are informed to make necessary arrangements to replace their physical shares with book-entry form in CDS. The benefits of holding shares in book-entry form in CDS include safe custody, no loss of shares, instant credit of bonus and right shares entitlements, instant sale of shares as trading of physical shares is not permitted as per existing regulations of the stock exchange, no requirement of transfer deed for transfer/sale of book-entry shares and easy pledge of shares for availing any finance facility.

FINANCIAL HIGHLIGHTS

Six Years at a glance

	Year ended 30 June 2025	Year ended 30 June 2024 (Restated)	Year ended 30 June 2023	Year ended 30 June 2022	Year ended 30 June 2021	Year ended 30 June 2020
Operating performance (Rs. 000)						
Sales - net	40,605,013	36,517,176	31,571,123	33,768,786	22,070,231	16,909,299
Export sales-gross	38,438,827	34,471,835	28,983,688	31,480,292	19,377,821	15,574,022
Local sales-gross	2,166,186	2,045,341	2,366,169	2,082,986	2,017,655	1,046,623
Gross profit	4,979,761	4,583,619	5,087,307	4,658,174	3,188,597	2,462,318
Operating profit	2,901,351	2,426,737	2,907,225	2,147,303	1,600,552	1,027,353
Profit / (loss) before tax	1,452,756	1,169,210	1,914,427	1,146,663	7,773,229	(223,264)
Profit / (loss) after tax	701,803	675,320	1,470,453	693,051	7,559,400	(389,449)
Financial position (Rs. 000)						
Equity without surplus	11,901,791	11,118,359	10,365,402	8,769,533	4,579,736	(3,622,304)
Surplus on revaluation of property plant and equipment	2,902,238	2,685,790	2,959,427	3,121,944	3,414,941	4,742,276
Equity with surplus	14,804,029	13,804,149	13,324,829	11,891,477	7,994,677	1,119,972
Long term debt	5,576,491	5,769,510	5,890,870	6,176,878	10,007,499	8,067,856
Property, plant and equipment	12,093,040	10,969,445	10,164,751	10,623,690	10,232,591	10,254,009
Financial analysis						
Current ratio (times)*	2.26	2.31	2.56	2.09	2.62	0.71
Debt to equity (ratio)	27:73	29:71	31:69	34:66	56:44	88:12
Profitability analysis						
Operating profit to sales (%)	7.15	6.65	9.21	6.36	7.25	6.08
Earnings per share (Rs.)	1.43	1.37	2.99	1.41	15.38	(0.84)

* (excluding current portion of long term debt)

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: **Azgard Nine Limited (the Company)**
Year ended: **30-06-2025**

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total numbers of Directors are eight (including Chief Executive Officer) as per the following:

   a) Male 7 b) Female 1

2. The composition of Board is as follows:

i.	Independent Directors*	Mr. Abid Hussain
		Mr. Ihsan Ahmad
ii.	Non-executive Directors	Mr. Zahid Mahmood
		Ms. Maliha Sarda Azam
		Mr. Nasir Ali Khan Bhatti
		Syed Hasan Akbar Kazmi
		Mr. Usman Rasheed
iii.	Executive Director	Mr. Ahmed H. Shaikh
iv.	Female Director	Ms. Maliha Sarda Azam

* Election of Directors was held in April 2024. The Board comprised of seven elected Directors and appointed Chief Executive Officer (deemed Director). Fraction for independent Directors has not been rounded up as the Company has two independent Directors and comply with the minimum requirement of independent Directors. Both independent Directors have requisite competencies, diversity, skill, knowledge and experience to discharge and execute their duties competently, therefore, appointment of a third independent Director is not warranted.

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;

9. All Directors have acquired certification under a Directors' Training Program (DTP) or have obtained exemption from the Securities and Exchange Commission of Pakistan;

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) **Audit Committee**

Mr. Ihsan Ahmad	- Chairman
Mr. Nasir Ali Khan Bhatti	- Member
Mr. Usman Rasheed	- Member

b) **HR and Remuneration Committee**

Mr. Ihsan Ahmad	- Chairman
Mr. Ahmed H. Shaikh	- Member
Ms. Maliha Sarda Azam	- Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

14. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as per following:

a)	**Audit Committee**	Quarterly - Four meetings were held during the financial year with at least one meeting in each quarter
b)	**HR and Remuneration Committee**	Yearly-Two meetings were held during the financial year

15. The Board has outsourced the internal audit function to M/s. PKF F.R.A.N.T.S, Chartered Accountants (a member firm of PKF International Limited) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. Further, a fulltime employee of the Company has been designated as Head of Internal Audit as required under the Regulations;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Regulation No.	Non-Mandatory Requirements	Explanation
19	**Directors' Training:** (3) Companies are also encouraged to arrange training for:	The Company is committed to arrange such trainings/courses for its officers that are more relevant to their job descriptions and beneficial for the Company. However, the Company may/will consider required training, if and when necessary, on case-to-case basis.

Regulation No.	Non-Mandatory Requirements	Explanation
	(i) at least one female executive every year under the Directors' Training program from year July 2020; and (ii) at least one head of department every year under the Directors' Training program from July 2022.	
29	**Nomination Committee:** (i) The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The Board takes care of the responsibilities prescribed for Nomination Committee, therefore, separate Nomination Committee is not considered necessary.
30	**Risk Management Committee:** (1) The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has devised Risk and Internal Controls Governance Framework and responsibilities have been assigned to Audit Committee through relevant Policy. Therefore, separate Risk management Committee is not considered necessary.

AHMED H. SHAIKH
Chief Executive Officer

Date: September 30, 2025

ZAHID MAHMOOD
Chairman

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

72-A, Faisal Town,
Lahore - 54770, Pakistan.

T: +92 42 35160430 - 33
E: lahore@rsrir.com
W: www.rsrir.com

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of AZGARD NINE LIMITED
Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 [the 'Regulations'] prepared by the Board of Directors of **AZGARD NINE LIMITED** for the year ended **30 June 2025** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended **30 June 2025.**

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 for the year ended 30 June 2024 was reviewed by another auditor who expressed an unmodified conclusion on that statement on 30 September 2024

The engagement partner on the review resulting in this independent auditor's review report is **ALI RAZA JAFFERY.**

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Lahore | 30 September 2025

UDIN: CR202510704peYaVXhK5

SHARIAH REVIEW REPORT FOR AZGARD NINE LIMITED SUKUK-1

Under Shariah Governance Regulations, 2023

For the Year Ended June 30, 2025

In pursuance to sub-regulation (3) of regulation 23 under SECP, Shariah Governance Regulations 2023, this Shariah Review Report is for the year ended June 30, 2025, with reference to Azgard Nine Limited SUKUK-1 amounting to Rs. 193,520,000/- with redemption in 20 Quarterly instalments after the grace period of 2 years, and profit @ 5% p.a.

This Shariah Review Report was concluded after a detailed review of the relevant documents, procedures and Shariah guidelines, mechanism and SUKUK structure.

(a) In my opinion, the transactions, the relevant documentation, and the procedures adopted have been in accordance with the Shariah principles and rules;

(b) In my opinion, the affairs have been carried out in accordance with Shariah principles and rules and relevant Shariah opinions issued from time to time; and

(c) In my opinion, no charity for any earnings that have been realized from sources or by means prohibited by Shariah was due for credit to the charity account.

Issued by:

Abdullah

Mufti Muhammad Abdullah
Shariah Advisor
SECP/IFD/SA/115

Date: 7th August, 2025

FINANCIAL STATEMENTS

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

72-A, Faisal Town,
Lahore - 54770, Pakistan.

T: +92 42 35160430 - 33
E: lahore@rsrir.com
W: www.rsrir.com

INDEPENDENT AUDITOR'S REPORT

To the members of AZGARD NINE LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **AZGARD NINE LIMITED** ['the Company'], which comprise the statement of financial position as at **30 June 2025**, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **30 June 2025** and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ['ISAs'] as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan ['the Code'] and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key Audit Matter
1. Revenue recognition	
Refer to notes 5.15.1 and 35 to the annexed financial statements. The amount of revenue is the most significant class of transaction on the statement of profit or loss. Net revenue is reported at Rs. 40,605 million. We identified revenue recognition as a key audit matter since it is a key performance measure for the Company and gives rise to the risk associated with the judgement in determining the timing of satisfaction of performance obligations as well as creates an incentive for fraudulently overstating revenue by recognizing revenue before such performance obligations are satisfied.	Our audit procedures in respect of recognition of revenue, amongst others, included the following: • Assessing the appropriateness of the Company's revenue recognition accounting policies by comparing with accounting standards; • Obtaining understanding of and testing the design and operating effectiveness of controls design to ensure that revenue is recognized in the appropriate accounting period and testing, on a sample basis, invoices and credit notes, recorded before and after the reporting period with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; and • Critically assessing manual journals posted to revenue to identify unusual or irregular items.

Key audit matter	How our audit addressed the Key Audit Matter
2. Valuation of stock in trade	
Refer to notes 5.12.2 and 26 to the annexed financial statements. Stock in trade amounts to Rs 5,667.47 million as at the reporting date. The valuation of stock in trade at cost has different components, which includes judgment in relation to the allocation of labour and overheads which are incurred in bringing the stock to its present location and condition. Judgment has also been applied by management in determining the Net Realizable Value ['NRV'] of stock in trade. The estimates and judgments applied by management are influenced by the amount of direct costs incurred historically, expectations of repeat orders to utilize the stock in trade, sales contract in hand and historically realized sales prices The significance of the balance coupled with the judgment involved has resulted in the valuation of stock in trade being identified as a key audit matter.	Our audit procedures in respect of valuation of stock in trade, amongst others, included the following: • Assessing historical costs recorded in the stock in trade valuation; testing on a sample basis with purchase invoices; • Obtaining an understanding of management's process for allocating raw material, labour, and overhead costs to stock of finished goods and work in process and evaluating the appropriateness and consistency of the allocation bases used; • Testing the reasonability of assumptions applied by the management in allocating direct labour and direct overhead costs to stock in trade; and • Assessing management's determination of the net realizable value of stock in trade by performing tests on the sales prices secured by the Company for similar or comparable items of stock in trade.
3. Litigation with Taybah Capital Limited	
Refer to notes 2.3.1(c) and 22.1.16 to the annexed financial statements. The Company is a defendant in ongoing litigation with Taybah Capital Limited comprising of a claim of EUR 7 million filed in the Court of Venice and liquidation damages of EUR 2.049 million awarded by the Court of Vicenza. The Company has filed an appeal against order of the Court of Vicenza before the Italian Supreme Court. Based on legal counsel's advice, management has determined that these claims and awards do not meet the recognition criteria for a provision under IAS 37 Provisions, Contingent Liabilities, and Contingent Assets. Accordingly, no liability has been recognized in the statement of financial position, and the matter has instead been disclosed as a contingent liability. The significance of the amounts involved, combined with the reliance on legal interpretation regarding enforceability across jurisdictions, makes this matter a key audit matter.	Our audit procedures in respect of litigation with Taybah Capital Limited, amongst others, included the following: • Understanding and evaluating management's process for identifying and assessing contingent liabilities, including the involvement of legal counsel; • Obtaining confirmations and correspondence directly from the Company's external legal advisors regarding the status of the litigation, the likelihood of success, and potential financial exposure; • Discussing the matter with management and those charged with governance to understand the basis of judgments applied in concluding whether a provision was required or disclosure alone was sufficient; • Obtained legal opinion from the Company's legal advisors, evaluated their competence and objectivity, and assessed whether their opinion adequately addressed the enforceability of the judgments in Pakistan in light of the applicable legal framework and the facts of the case; and • Evaluated the adequacy of disclosures made in the financial statements in respect of the contingency, to assess whether they appropriately describe the nature of the matter, uncertainties involved, and potential financial impact.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of user taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matters

The financial statements of the Company for the year ended 30 June 2024 were audited by another auditor who expressed a qualified opinion on those statements on 30 September 2024.

The engagement partner on the audit resulting in this independent auditor's report is **ALI RAZA JAFFERY.**

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Lahore | 30 September 2025

UDIN: AR202510704gKEDYWd8a

STATEMENT OF FINANCIAL POSITION
As at June 30, 2025

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees [restated]
EQUITY AND LIABILITIES			
EQUITY			
Authorized share capital	6	**15,000,000,000**	15,000,000,000
Issued ordinary share capital	7	**4,913,753,370**	4,913,753,370
Capital reserves	8	**4,032,114,593**	3,321,940,307
Revaluation surplus	9	**2,902,237,912**	2,685,789,742
Retained earnings		**2,955,922,841**	2,882,665,721
TOTAL EQUITY		**14,804,028,716**	13,804,149,140
LIABILITIES			
NON-CURRENT LIABILITIES			
Redeemable capital	10	**3,804,126,757**	3,978,057,989
Long term borrowings	11	**-**	-
Lease liabilities	12	**-**	-
Employees retirement benefits	13	**1,265,980,758**	978,693,584
Deferred mark-up	14	**112,709,911**	96,296,883
Deferred taxation	15	**296,168,063**	521,205,889
		5,478,985,489	5,574,254,345
CURRENT LIABILITIES			
Trade and other payables	16	**3,652,044,818**	4,428,770,424
Unclaimed dividend on ordinary shares		**3,753,252**	3,753,252
Short term borrowings	17	**2,686,388,660**	2,205,419,916
Accrued mark-up/profit on borrowings	18	**205,014,237**	201,801,459
Levies payable	19	**778,907,920**	654,717,130
Income taxes payable	20	**114,340,654**	73,325,476
Current maturity of non-current liabilities	21	**1,500,053,224**	1,561,428,348
		8,940,502,765	9,129,216,005
TOTAL LIABILITIES		**14,419,488,254**	14,703,470,350
CONTINGENCIES AND COMMITMENTS	22		
TOTAL EQUITY AND LIABILITIES		**29,223,516,970**	28,507,619,490
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	23	**12,093,040,142**	10,969,445,216
Long term investments	24	**124,333,580**	13,410,515
Long term deposits	25	**163,264,370**	40,380,372
		12,380,638,092	11,023,236,103
CURRENT ASSETS			
Stores, spares and lose tools		**347,673,265**	218,355,085
Stock in trade	26	**5,667,465,821**	7,566,679,744
Trade receivables	27	**3,859,253,072**	4,229,804,959
Receivable against sale of spinning unit	28	**706,412,075**	713,716,646
Deposits and prepayments	29	**1,362,269,330**	558,825,965
Advances and other receivables	30	**1,464,966,869**	1,567,094,246
Short term investments	31	**138,603,560**	154,643,646
Tax refunds due from government	32	**1,152,040,570**	722,026,684
Funds for restructuring scheme	33	**892,167,454**	842,684,023
Cash and bank balances	34	**1,252,026,862**	910,552,389
		16,842,878,878	17,484,383,387
TOTAL ASSETS		**29,223,516,970**	28,507,619,490

The annexed notes from 1 to 64 form an integral part of these finanical statements

Lahore | **Chief Executive Officer** | **Director** | **Chief Financial Officer**

STATEMENT OF PROFIT OR LOSS
For the year ended June 30, 2025

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees [restated]
Revenue from contracts with customers	35	**40,605,013,232**	36,517,176,090
Cost of sales	36	**(35,625,252,649)**	(31,933,557,060)
Gross profit		**4,979,760,583**	4,583,619,030
Other income	37	**845,566,660**	801,209,777
Selling and distribution expenses	38	**(1,850,740,611)**	(1,898,651,915)
Administrative expenses	39	**(1,001,763,045)**	(911,090,672)
Other expenses	40	**(125,331,557)**	(78,436,455)
		(2,977,835,213)	(2,888,179,042)
Impairment reversal/(allowance) for expected credit losses	52.1.6	**53,858,821**	(69,912,827)
Operating profit		**2,901,350,851**	2,426,736,938
Finance cost	41	**(1,131,276,152)**	(1,091,439,458)
Notional interest expense	10.9 & 14.1	**(317,318,569)**	(166,087,897)
Profit before statutory levies and income taxes		**1,452,756,130**	1,169,209,583
Provision for levies	42	**(507,711,734)**	(463,207,973)
Profit before income taxes		**945,044,396**	706,001,610
Provision for income taxes	43	**(243,241,542)**	(30,681,737)
Profit after income taxes		**701,802,854**	675,319,873
Basic earnings per share		**1.43**	1.37

The annexed notes from 1 to 64 form an integral part of these finanical statements

Lahore | **Chief Executive Officer** | **Director** | **Chief Financial Officer**

STATEMENT OF COMPREHENSIVE INCOME
For the year ended June 30, 2025

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees [restated]
Profit after income taxes		**701,802,854**	675,319,873
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Revaluation surplus	9	**-**	405,548,775
Remeasurements of defined benefit obligation	13	**(55,861,992)**	(37,699,355)
Income tax relating to items that will not be reclassified	44	**353,938,714**	(563,849,628)
		298,076,722	(196,000,208)
Items that may be reclassified subsequently to profit or loss		**-**	-
Other comprehensive (loss)/income after income taxes		**298,076,722**	(196,000,208)
Total comprehensive income		**999,879,576**	479,319,665

The annexed notes from 1 to 64 form an integral part of these finanical statements

Lahore	**Chief Executive Officer**	**Director**	**Chief Financial Officer**

STATEMENT OF CASH FLOWS
For the year ended June 30, 2025

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from operating activities	47	**3,930,038,056**	2,252,139,756
Payments for:			
Mark-up on borrowings - *Conventional instruments*		**(464,236,620)**	(416,082,423)
Profit on borrowings - *Shariah compliant instruments*		**(6,003,244)**	(8,974,821)
Interest on lease liabilities		**(11,780)**	(137,607)
Income taxes and levies under Income Tax Ordinance, 2001		**(874,734,333)**	(460,645,195)
Employees retirement benefits		**(166,048,779)**	(91,993,833)
Net cash generated from operating activities		**2,419,003,300**	1,274,305,877
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(1,979,077,892)**	(1,203,509,226)
Proceeds from disposal of property, plant and equipment		**9,814,746**	13,160,000
Proceeds from restructuring of long term investments		**-**	1,746,939
Proceeds against receivable from sale of Muzaffargarh unit		**7,304,571**	5,235,710
Purchase of short term investments		**(7,693,886)**	(12,243,755)
Proceeds from disposal of short term investments		**24,513,532**	-
Dividend received during the year		**596,275**	28,451,142
Net cash used in investing activities		**(1,944,542,654)**	(1,167,159,190)
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of redeemable capital		**(509,563,629)**	(467,526,600)
Repayment of lease liabilities		**(217,955)**	(549,765)
Transaction costs paid during the year		**(58,746,795)**	(53,987,924)
Payment of dividend on preference shares		**-**	(9,413,535)
Net increase in short term borrowings		**122,790,695**	470,457,331
Net cash used in from financing activities		**(445,737,684)**	(61,020,493)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**28,722,962**	46,126,194
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**1,745,142,828**	1,704,098,690
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENT		**4,056,893**	(5,082,056)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	46	**1,777,922,683**	1,745,142,828

The annexed notes from 1 to 64 form an integral part of these finanical statements

Lahore | **Chief Executive Officer** | **Director** | **Chief Financial Officer**

STATEMENT OF CHANGES IN EQUITY
For the year ended June 30, 2025

	Issued ordinary share capital	Share premium	Capital reserves: Reserve on merger	Capital reserves: Preference shares redemption reserve	Capital reserves: Zero coupon PPTFCs redemption reserve	Capital reserves: Total capital reserves	Revaluation surplus	Retained earnings	Total equity
	Rupees	*Rupees*	*Rupees*	*Rupees*	*Rupees*	*Rupees*	*Rupees*	*Rupees* *[restated]*	*Rupees*
As at 01 July 2023	4,913,753,370	2,358,246,761	105,152,005	661,250,830	-	3,124,649,596	2,959,427,045	2,326,999,464	13,324,829,475
Comprehensive income									
Profit after income taxes	-	-	-	-	-	-	-	675,319,873	675,319,873
Other comprehensive income after income taxes	-	-	-	-	-	-	(169,233,666)	(26,766,542)	(196,000,208)
	-	-	-	-	-	-	(169,233,666)	648,553,331	479,319,665
Other transactions									
Incremental depreciation	-	-	-	-	-	-	(104,403,637)	104,403,637	-
Transfer from preference share redemption reserve to retained earnings	-	-	-	(512,883,575)	-	(512,883,575)	-	512,883,575	-
Transfer from retained earnings to zero coupon PPTFCs redemption reserve	-	-	-	-	710,174,286	710,174,286	-	(710,174,286)	-
	-	-	-	(512,883,575)	710,174,286	197,290,711	(104,403,637)	(92,887,074)	-
As at 30 June 2024 *[restated]*	4,913,753,370	2,358,246,761	105,152,005	148,367,255	710,174,286	3,321,940,307	2,685,789,742	2,882,665,721	13,804,149,140
As at 01 July 2024 *[restated]*	**4,913,753,370**	**2,358,246,761**	**105,152,005**	**148,367,255**	**710,174,286**	**3,321,940,307**	**2,685,789,742**	**2,882,665,721**	**13,804,149,140**
Total comprehensive income									
Profit after income taxes	-	-	-	-	-	-	-	**701,802,854**	**701,802,854**
Other comprehensive income	-	-	-	-	-	-	**348,343,406**	**(50,266,684)**	**298,076,722**
	-	-	-	-	-	-	**348,343,406**	**651,536,170**	**999,879,576**
Other transactions									
Incremental depreciation	-	-	-	-	-	-	**(131,378,731)**	**131,378,731**	-
Transfer of revaluation surplus upon disposal of operating fixed assets	-	-	-	-	-	-	**(516,505)**	**516,505**	-
Transfer from retained earnings to zero coupon PPTFCs redemption reserve	-	-	-	-	**710,174,286**	**710,174,286**	-	**(710,174,286)**	-
	-	-	-	-	**710,174,286**	**710,174,286**	**(131,895,236)**	**(578,279,050)**	-
As at 30 June 2025	**4,913,753,370**	**2,358,246,761**	**105,152,005**	**148,367,255**	**1,420,348,572**	**4,032,114,593**	**2,902,237,912**	**2,955,922,841**	**14,804,028,716**

The annexed notes from 1 to 64 form an integral part of these finanical statements

Lahore | **Chief Executive Officer** | **Director** | **Chief Financial Officer**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2025

1 LEGAL STATUS AND OPERATIONS

Azgard Nine Limited [the 'Company'] was incorporated under the repealed Companies Ordinance,1984 on 20 January 1993. The Company is a 'Public Company Limited by Shares' and is listed on Pakistan Stock Exchange Limited. The Company is a composite of spinning, weaving, dyeing and stitching units engaged in the manufacturing of yarn, denim and denim products.

1.1 Location of business units

Registered Office	Ismail Aiwan-e-Science, off Shahrah-e-Roomi, Lahore, Pakistan
Manufacturing Unit - 1	2.5 KM, off Manga, Raiwind Road, District Kasur, Pakistan.
Manufacturing Unit - 2	18 KM, Atta Buksh Road, off Ferozepur Road, Mouza Atari Saroba, Tehseel Cantt, Lahore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards ['IFRS'] issued by the International Accounting Standards Board as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	**Measurement basis**
Financial liabilities	Amortized cost
Employee retirement benefits	Present value
Freehold land, buildings on freehold land, plant and machinery	Revalued amounts
Investments	Fair value
Other financial assets	Amortized cost

2.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.3.1 Critical accounting judgements

Critical accounting judgements made by the management in the application of accounting and reporting standards that have significant effect on the financial statements are as follows:

(a) ***Business model assessment (see note 5.1.2)***

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortized cost or fair value that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

(b) ***Significant increase in credit risk (see note 5.18.1)***

Expected credit losses ['ECL'] are measured, based on the Company's risk grading framework, at an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(c) ***Provisions and contingencies (see note 5.9)***

The Company has reviewed its position regarding the ongoing litigation with Taybah Capital Limited ['TCL'], involving TCL's claim of EUR 7 million in the Court of Venice and the liquidation damages of EUR 2.049 million awarded to TCL by the Court of Vicenza. Based on legal counsel's advice and in light of related legal considerations, management has determined that both TCL's claim of EUR 7 million and the liquidation damages of EUR 2.049 million awarded by the Court of Vicenza do not satisfy the criteria for recognition as a 'Provision' under IAS 37 Provisions, Contingent Liabilities, and Contingent Assets, as judgements of Italian courts cannot be directly executed in Pakistan. Consequently, no liability has been recorded in the statement of financial position.

2.3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

(a) ***Calculation of impairment allowance for expected credit losses on financial assets (see note 52.1.2)***

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset. Estimating expected credit losses and changes there in requires taking into account qualitative and quantitative forward looking information. When measuring expected credit losses on financial assets the Company uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. If the ECL rates on financial assets carried at amortized cost were higher (lower) by 10%, the loss allowance on those assets would have been higher (lower) by Rs. 860.19 million (30-Jun-24: Rs. 799.27 million).

(b) ***Revaluation of freehold land and buildings on freehold land (see note 54.2.1)***

Most recent revaluation of freehold land and buildings on freehold land was carried out by an independent valuer, Hamid Mukhtar and Company (Private) Limited, on 30 June 2024. Revalued amounts of land and building have been determined by reference to local market values taking into account prevailing fair market prices under the position and circumstances present on the date of valuation and current market scenario for properties of similar nature in the immediate neighborhood and adjoining areas. Land is valued using market comparable approach that reflects recent transaction prices for similar properties. Significant inputs include estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition. Building is valued using cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. Significant inputs include estimated construction costs and other ancillary expenditure.

A 5% increase in estimated purchase price of land, including non-refundable purchase taxes and other costs directly attributable to the acquisition of land or in estimated construction cost of buildings and other ancillary expenditure would result in a significant increase in fair value of freehold land and building on freehold land by Rs. 78.698 million (30-Jun-24: Rs. 78.698 million) and Rs. 121.677 million (30-Jun-24: Rs. 116.564 million) respectively.

(c) ***Revaluation of plant and machinery (see note 54.2.1)***

Most recent revaluation of Freehold land and buildings on freehold land was carried out by an independent valuer, Hamid Mukhtar and Company (Private) Limited, on 30 June 2024. Revalued amounts of plant and machinery are determined by using cost approach that reflects the cost to the market participants to construct or acquire machinery of comparable utility and age, adjusted for obsolescence and depreciation. Significant inputs include estimated construction/acquisition costs and other ancillary expenditure.

A 5% increase in estimated construction/aquisition cost of machinery and other ancillary expenditure would result in a significant increase in fair value of plant and machinery by Rs. 304.573 million (30-Jun-24: Rs. 288.334 million).

(d) ***Present value of defined benefit obligation (see note 13)***

The determination of the Company's defined benefit obligation depends on certain assumptions, which include selection of the discount rate, average rate of increase in salaries and mortality rates. The discount rate is set by reference to market yields at the end of the reporting period on government bonds as there is no deep market for high quality corporate bonds in Pakistan. Average rate of increase in salary are based on market expectations, inflation and historical trends. Mortality rates are based upon SLIC(2001-05) mortality table. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Company's financial statements within the next year.

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date has been determined by an independent actuary, TRT Associates. The principal assumptions used in determining present value of defined benefit obligation are:

	30-Jun-25	30-Jun-24
Discount rate	**11.75%**	14.75%
Expected rate of increase in salary	**11.25%**	14.25%
Mortality rates	**SLIC 2001-05**	SLIC 2001-05
Withdrawal factor	**Age Based**	Age Based
Retirement age of the employee	**60 years**	60 years

An analysis of sensitivity for discount rate and expected rate of increase in salary used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:

	30-Jun-25		30-Jun-24	
	Change in actuarial assumption	**Defined benefit obligation** ***Rupees***	Change in actuarial assumption	Defined benefit obligation *Rupees*
Discount rate	+ 1%	1,180,817,615	+ 1%	918,505,263
	- 1%	1,357,316,065	- 1%	1,047,056,931
Expected rate of increase in salary	+ 1%	1,357,286,052	+ 1%	1,044,062,235
	- 1%	1,180,803,110	- 1%	920,282,720

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

(e) ***Provisions for levies and current tax under Income Tax Ordinance, 2001 (see note 42 and 43)***

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provisions for current tax and levies under the Income Tax Ordinance, 2001 ['the Ordinance'] and in presenting tax contingencies.

The provision for levies and current tax under the Ordinance are estimated at Rs. 507.71 million (30-Jun-24: Rs. 476.79 million) and Rs. 121.93 million (30-Jun-24: Rs. 98.61 million) respectively. The management believes that the provision for current tax and levies made in the financial statements is sufficient to discharge related liabilities under the Ordinance.

(f) ***Deferred tax on temporary differences in non-tax/levy regime (see note 15)***

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The Company is subject to non-tax/levy regime whereby taxes under Income Tax Ordinance, 2001 are levied on turnover or other basis and are not based on taxable profits. Significant management judgement is required to determine whether the Company is expected to be assessed in non-tax/levy regime for the foreseeable future, and the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Provision (30-Jun-24: Credit) for deferred tax of Rs. 128.9 million (30-Jun-24: Rs. 42.64 million) has been estimated after taking into account historical and future turnover and profit trends and their taxability under the current tax law. The Company has unused minimum tax credit amounting to Rs. 154.78 million (30-Jun-24: nil) as at the reporting date and available for adjustment against taxable profits accruing upto tax year 2028. However, the Company has not recognised deferred tax asset on the available minimum tax credit as the Company is subject to and expects to remain in non-tax/levy regime for the forseeable future.

2.4 Presentation currency

These financial statements have been presented in Pak Rupees which is the Company's functional currency. The amounts reported in these financial statements have been rounded to the nearest Rupees unless specified otherwise.

2.5 Date of authorization for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 30 September 2025.

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

The following new and revised International Financial Reporting Standards [IFRS] and International Accounting Standards [IAS], interpretations of and amendments to IFRS and IAS are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures, except as stated otherwise.

3.1 **Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)**

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

3.2 **Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)**

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

3.3 **Non-current Liabilities with Covenants (Amendments to IAS 1)**

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

3.4 **Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)**

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

4 **NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.**

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
Lack of Exchangeability (Amendments to IAS 21)	01 January 2025
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 July 2025
IFRS S2 Climate-related Disclosures	01 July 2025
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	01 January 2026
Amendments IFRS 9 and IFRS 7 regarding the power purchase agreements	01 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	01 January 2026
IFRS 17 Insurance Contracts	01 January 2027

Other than aforementioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan for adoption.

- IFRS 1 - First Time Adoption of International Financial Reporting Standards

- IFRS 18 - Presentation and Disclosures in Financial Statements

- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

The Company intends to adopt these new standards on their effective dates, subject to notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company's interim financial statements other than in presentation/disclosures.

5 **MATERIAL ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Financial instruments

5.1.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

5.1.2 Classification

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in accordance with the substance of contractual provisions. The Company determines the classification of its financial instruments at initial recognition as follows:

(a) ***Financial assets at amortized cost***

These are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) ***Financial assets at fair value through other comprehensive income ['fair value through OCI']***

These are:

(i) financial assets held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and

(ii) investments in equity instruments, that are not held for trading nor contingent consideration recognized by the Company as acquirer in a business combination, for which the Company makes an irrevocable election at initial recognition to present changes in fair value on subsequent measurement in other comprehensive income.

(c) ***Financial assets at fair value through profit or loss***

These are financial assets which have not been classified as 'financial assets at amortized cost' or as 'financial assets at fair value through other comprehensive income', are mandatorily measured at fair value through profit or loss or for which the Company makes an irrevocable election at initial recognition to designate as 'financial asset at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

(d) ***Financial liabilities at amortized cost***

These are financial liabilities which are not derivates, financial guarantee contracts, commitments to provide loans at below-market interest rate, contingent consideration payable to an acquirer in a business combination or financial liabilities that arise when transfer of a financial asset does not qualify for derecognition.

(e) ***Financial liabilities at fair value through profit or loss***

These are financial liabilities which have not been classified as 'financial liabilities at amortized cost' or for which the Company makes an irrevocable election at initial recognition to designate as 'financial liabilities at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

5.1.3 Measurement

Measurement methods adopted are explained in individual policy statements associated with each financial instrument.

5.1.4 De-recognition

A financial asset is derecognized when the Company's contractual rights to the cash flows from the financial assets expire or when the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the financial asset. A financial liability is derecognized when the Company's obligations specified in the contract expire or a discharged or cancelled.

5.1.5 Off-setting

A financial asset and financial liability is offset and the net amount reported in the statement of financial position if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.1.6 Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

5.2 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity. Dividends on ordinary shares are charged directly against equity as a deduction from retained earnings, when approved by the ordinary shareholders of the Company.

5.3 Preference share capital

Preference shares that pay a fixed rate of dividend and that have a mandatory redemption feature at a future date and accordingly they carry a contractual obligation to deliver cash and, therefore, are recognized as a liability.

Preference shares that do not have a fixed maturity, and where the Company does not have a contractual obligation to deliver cash or another financial asset to the holder of preference shares and if these will or may be settled in the issuer's own equity instruments, these are either, a non-derivative that includes no contractual obligation for the Company to deliver a variable number of its own equity instruments or a derivative that will be settled only by the Company exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments, are recognized as equity.

Dividends on preference shares recognized as a liability are recognized in profit or loss. Dividends on preference shares recognized as equity are charged directly against equity as a deduction from retained earnings when declared by the Board of Directors.

5.4 Share premium

Share premium represents excess of the fair value of consideration received against issues of shares over the par value of those shares. Share premium is recognized as equity under Section 81 of the Companies Act, 2017.

5.5 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis. Transaction costs included in the carrying amount of the loans are amortized over the lives of loans using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

5.6 Leases as 'lessee'

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for the short-term leases and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

A right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Subsequent to initial recognition, a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognized, using rate specified in note 23, using reducing balance method over the shorter of lease term and useful life of the right-of-use asset, unless the lease transfers ownership of the underlying asset to the Company by the end of lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment assets. In addition, the right-of-use asset is adjusted for certain remeasurements of the related lease liability.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in measurement of lease liability comprise:

- Fixed lease payments, including in-substance fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Subsequent to initial recognition, lease liability is measured at amortized cost using effective interest method whereby the carrying amount of lease liability is increased to reflect the interest thereon and decreased to reflect lease payments made. Interest is recognized in profit or loss.

Lease liability is remeasured whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate, unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used; or

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the related right-of-use asset, except where the carrying amount of right-of-use asset is reduced to zero. In that case, any adjustment exceeding the carrying amount of the right-of use asset is recognized in profit or loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs.

5.7 Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

5.8 Trade and other payables

5.8.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.8.2 Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

5.9 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

5.10 Property, plant and equipment

Freehold land, buildings on freehold land and plant and machinery held for use in the production or supply of goods or services or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses, except for freehold land, which is not depreciated. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land, buildings and plant and machinery is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land, buildings and plant and machinery is recognized as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus relating to a previous revaluation of that asset.

All other items or property, plant and equipment (office equipment and fixtures, electric installations, computer hardware and allied items, vehicles) are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses.

Assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes the cost of material, labor and appropriate overheads directly relating to the construction, erection and installation of the asset and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other assets of the same class, commences when the assets are ready for their intended use.

Depreciation is recognized in profit or loss, using rates specified in note 23, so as to write off the cost or revalued amounts of assets (other than freehold land and assets under construction) over their estimated useful lives, using the reducing balance method, with the exception of right-of-use assets, for which the lease does not transfer ownership of the underlying asset to the Company at the end of lease term, which are depreciated over the shorter of lease term and useful lives of the underlying assets, using straight line method.

Depreciation on an item of property, plant and equipment commences from the month in which the item is ready for intended use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Incremental depreciation being the difference between depreciation based on the revalued amounts recognized in profit or loss and depreciation based on the historical cost, net of tax, is reclassified from the revaluation surplus to retained earnings. On the subsequent disposal or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation surplus is transferred directly to retained earnings.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of such items is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognized in profit or loss.

5.11 Investments

5.11.1 Investment in unlisted debt and equity securities

Investments in unlisted debt and equity securities are classified as 'financial assets at fair value through other comprehensive income'. On initial recognition, these are measured at fair value on the date of acquisition. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized in other comprehensive income. Gains and losses on de-recognition are recognized in profit or loss. Dividend income is recognized in profit or loss when right to receive payment is established.

5.11.2 Investments in listed equity securities and mutual funds

Investments in listed equity securities and mutual funds are classified as 'financial assets at fair value through profit or loss [FVTPL]' unless the Company makes an irrevocable election at initial recognition, for a particular investment, to present subsequent changes in fair value in other comprehensive income in which case these are classified as 'financial assets at fair value through other comprehensive income [FVTOCI]'. On initial recognition, these are measured at fair value as on the date of acquisition. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized in profit or loss except where the Company has made an irrevocable election at initial recognition to present these changes in other comprehensive income. Cumulative gains and losses from changes in fair value recognized in other comprehensive income are transferred to retained earnings on derecognition. Dividend income is recognized in profit or loss when right to receive payment is established.

5.12 Inventories

5.12.1 Stores, spares and loose tools

Stores, spares and loose tools are generally held for internal use and are valued at lower of cost and net realizable value. Cost is determined on the basis of moving average except for items in transit, which are valued at invoice price plus related cost incurred up to the reporting date. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

5.12.2 Stock in trade

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

Category	**Basis of determination of cost**
Raw materials	Moving average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Stock in transit	Invoice price plus related cost incurred up to the reporting date

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labor and an appropriate proportion of manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

5.13 Trade and other receivables

5.13.1 Financial assets

These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost less accumulated impairment losses. Amortized cost is measured using the effective interest method, with interest recognized in profit or loss.

5.13.2 Non-financial assets

These, on initial recognition, are measured at cost. Subsequent to initial recognition, these are measured at cost less accumulated amortization.

5.14 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash in hand and bank balances. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and bank balances less running finances.

5.15 Contracts with customers

5.15.1 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue from a contract with customer when the Company satisfies an obligation specified in that contract. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Yarn, Denim Fabric, Garments, Waste and others	Performance obligations are satisfied when goods are dispatched to customers, except for exports, where performance obligations are satisfied on shipment. Invoices are generated at that point in time. Invoices are usually payable within a period ranging from 30 days to 120 days. Discounts are allowed based on the payment terms and volume of sales. There are no customer loyalty programs or warranty provisions. However, some contracts allow for return of goods if those do not meet the requirements or specifications provided in the contract.	Revenue is recognized at a point in time when the goods are dispatched/shipped to customers.

5.15.2 Contract assets

Contract assets represents consideration receivable for work performed up to the reporting date where performance obligations have been satisfied but invoices have not been issued to customers.. These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost less accumulated impairment losses. Amortized cost is measured using the effective interest method, with interest recognized in profit or loss. A contract asset is reclassified to a trade receivable once the Company has an unconditional right to payment i.e. when the invoice is issued.

5.15.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

5.16 Government grants

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

5.17 Employee benefits

5.17.1 Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of services or property and equipment as permitted or required by the approved accounting and reporting standards as applicable in Pakistan. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

5.17.2 Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss with the exception of remeasurements which are recognized in statement of comprehensive income. The amount recognized on statement of financial position represents the present value of defined benefit obligation which is measured at present value using projected credit unit method.

5.18 Impairment

5.18.1 Financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset.

Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to twelve months' expected credit losses, with the exception of trade debts, for which the Company recognizes lifetime expected credit losses estimated using internal credit risk grading based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions, and an assessment for both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery. Any recoveries made post write-off are recognized in profit or loss.

5.18.2 Non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro-rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

5.19 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

5.19.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

5.19.2 Deferred taxation

Deferred tax is accounted for by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized.

5.20 Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

5.21 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by accounting and reporting standards applicable in Pakistan.

5.22 Foreign currency transactions and balances

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate prevailing at the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to functional currency at exchange rate prevailing at the date of initial recognition. Any gain or loss arising on translation of foreign currency transactions and balances is recognized in profit or loss.

5.23 Fair value measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Company's accounting policies and disclosures require the measurement of fair values.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5.24 Segment reporting

Segment reporting is based on the operating segments that are reported in the manner consistent with internal reporting of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly other income and expenses, finance cost and certain provisions including those for levies and taxes.

		30-Jun-25	30-Jun-24
		Rupees	*Rupees*
6	**AUTHORIZED SHARE CAPITAL**		
	Ordinary shares of Rs. 10 each		
	900,000,000 (30-Jun-24: 900,000,000) voting shares	**9,000,000,000**	9,000,000,000
	300,000,000 (30-Jun-24: 300,000,000) non-voting shares	**3,000,000,000**	3,000,000,000
		12,000,000,000	12,000,000,000
	Preference shares of Rs. 10 each		
	300,000,000 (30-Jun-24: 300,000,000) non-voting shares	**3,000,000,000**	3,000,000,000
		15,000,000,000	15,000,000,000
7	**ISSUED ORDINARY SHARE CAPITAL**		
	Voting ordinary shares		
	359,773,025 (30-Jun-24: 359,773,025) shares issued for cash	**3,597,730,250**	3,597,730,250
	62,548,641 (30-Jun-24: 62,548,641) shares issued as fully paid bonus shares	**625,486,410**	625,486,410
	12,276,073 (30-Jun-24: 12,276,073) shares issued as consideration for machinery	**122,760,730**	122,760,730
	50,811,992 (30-Jun-24: 50,811,992) shares issued as consideration on merger	**508,119,920**	508,119,920
		4,854,097,310	4,854,097,310
	Non-voting ordinary shares		
	5,196,894 (30-Jun-24: 5,196,894) shares issued for cash	**51,968,940**	51,968,940
	768,712 (30-Jun-24: 768,712) shares issued as fully paid bonus shares	**7,687,120**	7,687,120
		59,656,060	59,656,060
		4,913,753,370	4,913,753,370

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
8	**CAPITAL RESERVES**			
	Share premium	8.1	**2,358,246,761**	2,358,246,761
	Reserve on merger	8.2	**105,152,005**	105,152,005
	Preference shares redemption reserve	8.3	**148,367,255**	148,367,255
	Zero coupon PPTFCs redemption reserve	8.4	**1,420,348,572**	710,174,286
			4,032,114,593	3,321,940,307

8.1 This represents premium on issue of ordinary shares recognized under Section 81 of the Companies Act, 2017.

8.2 On 19 December 2002, the net assets of Nafees Cotton Mills Limited were merged into the Company. The reserve represents the excess of the value of net assets of Nafees Cotton Mills Limited as on the date of merger over the fair value of consideration for merger.

8.3 This reserve has been created for redemption of preference shares issued by the Company as required to be created and maintained under the terms of issue. See note 10.5.

8.4 This represents reserve created for redemption of zero coupon PPTFCs. See note 10.4.

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
9	**REVALUATION SURPLUS**			
	Gross amount			
	As at the beginning of the year		**3,217,928,444**	2,959,427,045
	Surplus recognized during the year		**-**	405,548,775
	Transfer to retained earnings on disposal of revalued assets		**(573,998)**	-
	Incremental depreciation transferred to retained earnings		**(146,002,819)**	(147,047,376)
	As at the end of the year		**3,071,351,627**	3,217,928,444
	Income tax adjustments			
	As at the beginning of the year		**(532,138,702)**	-
	Income tax on surplus recognized during the year		**-**	(117,609,145)
	Transfer to retained earnings on disposal of revalued assets		**57,493**	-
	Incremental depreciation transferred to retained earnings		**14,624,088**	42,643,739
	Income tax adjustment for changes in effective tax rate	*44*	**348,343,406**	(457,173,296)
	As at the end of the year		**(169,113,715)**	(532,138,702)
			2,902,237,912	2,685,789,742
10	**REDEEMABLE CAPITAL**			
	Conventional instruments			
	Privately placed term finance certificates	*10.1*	**150,361,474**	200,481,966
	Privately placed term finance certificates	*10.2*	**100,039,494**	133,385,994
	Sub-privately placed term finance certificates	*10.3*	**876,513,393**	1,190,024,323
	Zero coupon privately placed term finance certificates	*10.4*	**4,971,220,000**	4,971,220,000
	Redeemable preference shares	*10.5*	**36,940,831**	110,822,538
			6,135,075,192	6,605,934,821
	Shariah compliant instruments			
	Sub-sukuk certificates	*10.6*	**116,112,000**	154,816,000
			116,112,000	154,816,000
			6,251,187,192	6,760,750,821
	Unamortized transaction costs	*10.8*	**(159,601,257)**	(133,726,945)
	Unamortized notional interest	*10.9*	**(1,873,127,171)**	(2,169,520,426)
			4,218,458,764	4,457,503,450
	Current maturity presented under current liabilities	*21*	**(414,332,007)**	(479,445,461)
			3,804,126,757	3,978,057,989

10.1 These represent privately placed term finance certificates issued by the Company in 2012 under a Settlement Agreement ['the Agreement'] with JS Global Capital Limited, dated 22 October 2012 effective from 19 October 2012. The issue was later restructured in 2021 pursuant to the Lahore High Court Approved Creditors' Scheme of Arrangement ['Approved Scheme'] (see note 52.2.2). The total issue comprised of 12 certificates, each with a face value of Rs. 27.21 million.

The issue carries mark-up at 5% per annum, payable quarterly. Principal redemption is structured in twenty equal quarterly installments with the first installment due in July 2023. However, as per the terms of Approved Scheme, the maximum tenor for redemption of these certificates is ten years from the effective date of issue i.e. 29 April 2021. In order to protect the interests of certificate holders, JS Bank Limited has been appointed as trustee under a trust deed for the issue of privately placed term finance certificates executed on 23 October 2012.

The issue is secured by a common security arrangement, the details of which are presented in note 10.7.

10.2 These represent privately placed term finance certificates issued by the Company in 2012 under a Settlement Agreement ['the Agreement'] with lenders, dated 22 October 2012 effective from 19 October 2012. The issue was later restructured in 2021 pursuant to the Lahore High Court Approved Creditors' Scheme of Arrangement ['Approved Scheme'] (see note 52.2.2). The total issue comprised of 21,720 certificates, each with a face value of Rs. 10,000.

The issue carries mark-up at 5% per annum, payable quarterly. Principal redemption is structured in twenty equal quarterly installments with the first installment due in July 2023. However, as per the terms of Approved Scheme, the maximum tenor for redemption of these certificates is ten years from the effective date of issue i.e. 29 April 2021. In order to protect the interests of certificate holders, JS Bank Limited has been appointed as trustee under a trust deed for the issue of privately placed term finance certificates executed on 23 October 2012.

The issue is secured by a common security arrangement, the details of which are presented in note 10.7.

10.3 These represent sub-privately placed term finance certificates issued by the Company to its secured creditors pursuant to the Lahore High Court Approved Creditors' Scheme of Arrangement ['Approved Scheme'] (see note 52.2.2). The total issue comprised of 611,296 certificates, each with a face value of Rs. 5,000.

The issue carries mark-up at 5% per annum, payable subject to sufficient excess cash being available with the Company for distribution. In the event that the Company does not have sufficient excess cash available for servicing of annual mark-up, the Company shall issue unsecured zero coupon privately placed term finance certificates, from time to time, to certificate holders against the mark-up amount due. The unsecured zero coupon privately placed term finance certificates so issued shall be paid at a future date as per the Company's available cash flows within 10 years from time zero date after payment of all other long term liabilities (except Zero coupon privately placed term finance certificates issued in 2021). Principal redemption is structured in twenty equal quarterly installments with the first installment due in July 2023. However, as per the terms of Approved Scheme, the maximum tenor for redemption of these certificates is ten years from the effective date of issue i.e. 29 April 2021. In order to protect the interests of certificate holders, Pak Brunei Investment Company Limited has been appointed as investment agent under the sub-PPTFC issuance agreement executed on 28 September 2021.

The issue is secured by a common security arrangement, the details of which are presented in note 10.7.

10.4 These represent zero coupon privately placed term finance certificates issued by the Company to its creditors pursuant to the Lahore High Court Approved Creditors' Scheme of Arrangement ['Approved Scheme'] (see note 52.2.2). The total issue comprised of 1,020,702 certificates, each with a face value of Rs. 5,000.

The issue does not carry any mark-up. These certificates are redeemable in bullet on maturity in April 2031. However, the Company has made an early redemption of 26,458 certificates during the year ended 30 June 2023.

The issue is secured by ranking hypothecation and mortgage charge, each for an amount upto Rs. 7,000 million, on assets of the Company, in favor of National Bank of Pakistan, as security agent and personal guarantee of the sponsor director.

10.5 These represent non-voting, non-participatory, partly convertible, and cumulative preference shares that were originally redeemable on 24 September 2010. During the previous year, the outstanding liability relating to these preference shares together with the associated unpaid dividend and mark-up amounting Rs. 9.41 million and Rs. 180.63 million respectively was restructured and rescheduled under a settlement plan approved by the preference shareholders in their meeting held on 18 January 2024.

Under the approved settlement plan, the entire outstanding preference dividend was fully discharged in the previous year, while the remaining preference share liability and accrued mark-up were restructured into two settlement categories. Preference shareholders holding up to 2,500 shares had their outstanding balance of Rs. 1.32 million fully settled. For preference shareholders holding more than 2,500 shares, the preference shares are structured to be redeemed in equal bi-annual installments over a two-year period commencing in June 2024 whereas, the related accrued mark-up will be discharged over a three-year period in equal bi-annual installments, with first installment due in June 2026. Furthermore, with the approval of the settlement plan, the accrual of mark-up on outstanding preference shares liability has ceased, thereby rendering these instrument mark-up free.

10.6 These represent privately placed sukuk certificates issued by the Company to Faysal Bank Limited pursuant to the Lahore High Court Approved Creditors' Scheme of Arrangement ['Approved Scheme'] (see note 52.2.2). The total issuance comprised 38,704 Sub Sukuk Certificates having face value of Rs. 5,000 each.

The issue carries profit at 5% per annum, payable subject to sufficient excess cash being available with the Company for distribution. In the event that the Company does not have sufficient excess cash available for servicing of annual mark-up, the Company shall issue unsecured zero coupon privately placed sukuk certificate, from time to time, to certificate holder against the mark-up amount due. The unsecured zero coupon privately placed sukuk certificates so issued shall be paid at a future date as per the Company's available cash flows within 10 years from time zero date after payment of all other long term liabilities (except zero coupon privately placed term finance certificates issued in 2021). Principal redemption is structured in twenty equal quarterly installments with the first installment due in July 2023. However, as per the terms of Approved Scheme, the maximum tenor for redemption of these certificates is ten years from the effective date of issue i.e. 29 April 2021. In order to protect the interests of certificate holder, Pak Brunei Investment Company Limited has been appointed as investment agent under the Investment Agency Agreement dated 10 December 2021.

The issue is secured by a common security arrangement, the details of which are presented in note 10.7.

10.7 All redeemable capital and long term borrowings, with the exception of zero coupon privately place term finance certificates (see note 10.4) and redeemable preference shares (see note 10.5) are secured by way of a common security which is as follows:

- First priority hypothecation and mortgage charge, each for Rs. 23,809 million, on the Company's assets in favor of National Bank of Pakistan, as security agent; and

- Personal guarantee of sponsor director.

		Note	**30-Jun-25** ***Rupees***	30-Jun-24 *Rupees*
10.8	**Transaction costs**			
	As at beginning of the year		**133,726,945**	100,708,976
	Recognized during the year		**58,746,795**	53,987,924
	Amortized during the year	*41*	**(32,872,483)**	(20,969,955)
	As at end of the year		**159,601,257**	133,726,945

		Note	**30-Jun-25** ***Rupees***	30-Jun-24 *Rupees* *[restated]*
10.9	**Unamortized notional interest**			
	As at beginning of the year		**2,169,520,426**	2,419,219,448
	Recognized during the year		**-**	29,579,992
	Amortized during the year	*10.9.1*	**(296,393,255)**	(279,279,014)
	As at end of the year		**1,873,127,171**	2,169,520,426

10.9.1 Notional interest is being amortized at rates ranging from 8.14% to 21.73% per annum applied on opening balance of amortized cost of related financial liabilities.

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
11	**LONG TERM BORROWINGS**			
	Settlement finance facility	*11.1*	**1,081,208,932**	1,081,208,932
	Current maturity presented under current liabilities	*11.2*	**(1,081,208,932)**	(1,081,208,932)
			-	-

11.1 This represents settlement finance created pursuant to the Lahore High Court Approved Creditors' Scheme of Arrangement ['Approved Scheme'] (see note 52.2.2). The finance carries mark-up at 5% per annum. The principal liability will be settled through the proceeds from disposal of the Comnpany's spinning unit at Muzaffargarh and 13,805,427 preference shares in Agritech Limited held by the Company. The finance is secured by equitable mortgage over the spinning unit, charge and right over actual proceeds from disposal of spinning unit and preferences shares, first hypothecation charge and equitable mortgage over the Company's assets and personal guarantee of sponsor director, each for Rs. 1.441.61 million, in favour of Bank Makramah Limited, as security agent. In case sales proceeds received by the Company are insufficient for making any payment due under the settlement finance facility, the treatment and settlement terms will be mutually settled between the Company and the agents appointed pursuant to the Approved Scheme.

11.2 The assets related to spinning unit of the Company have been sold and their proceeds are being received in the escrow account (see note 33) for onward payment of the settelement finance. Accordingly, the entire outstanding balance has been classified as current liability (see note 21).

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
12	**LEASE LIABILITIES**			
	As at beginning of the year		**773,955**	1,323,720
	Interest expense for the year	*41*	**11,780**	137,607
	Paid/adjusted during the year		**(785,735)**	(687,372)
	As at end of the year		**-**	773,955
	Current maturity presented under current liabilities	*21*	**-**	(773,955)
			-	-

12.1 This represents liability against right-of-use asset comprising vehicle. The interest rate implicit in lease is six months KIBOR plus 4% per annum. Lease rentals are payable monthly over the lease term of five years. Under the terms of agreement, taxes, repairs, replacements and insurance costs in respect of the right-of-use asset are borne by the Company. The Company had the option to acquire the right-of-use asset at the end of their respective lease term by adjusting the deposit amount against the residual value of the asset and the said right was exercised during the year on the expiry of lease term and complete settlement of related lease liability.

13 **EMPLOYEES RETIREMENT BENEFITS**

The Company operates an unfunded gratuity scheme, a defined benefit plan, for all its employees who have completed the minimum qualifying service period. Under the scheme, the Company pays a lump-sum benefit equal to last drawn monthly salary for each year of service to scheme members whereas the members of the scheme are not required to make any contributions to the scheme. The scheme is administered by the management of the Company under the supervision and directions of the Board of Directors of the Company. The amount recognized on statement of financial position represents present value of defined benefit obligation.

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
13.1	**Movement in the present value of the defined benefit obligation**			
	As at beginning of the year		**978,693,584**	729,061,347
	Charged to profit or loss for the year	*13.2*	**403,004,230**	329,372,757
	Benefits paid during the year		**(166,048,779)**	(91,993,833)
	Remeasurements recognized in other comprehensive income		**55,861,992**	37,699,355
	Benefits due but not paid		**(5,530,269)**	(25,446,042)
	As at the end of the year		**1,265,980,758**	978,693,584

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
13.2	**Charge to profit or loss**			
	Service cost		**271,300,881**	221,133,990
	Interest cost		**131,703,349**	108,238,767
			403,004,230	329,372,757
13.3	**The charge to profit or loss has been allocated as follows**			
	Cost of sales	*36*	**337,920,042**	289,288,673
	Selling and distribution expenses	*38*	**24,096,292**	14,390,233
	Administrative expenses	*39*	**40,987,896**	25,693,851
			403,004,230	329,372,757
13.4	**Remeasurements recognized in other comprehensive income**			
	Actuarial loss/(gains) arising from:			
	Changes in financial assumptions		**55,861,992**	(38,294,912)
	Experience adjustments		**-**	75,994,267
			55,861,992	37,699,355

13.5 Average duration of the defined benefit obligation

The average duration of the defined benefit obligation is 7 years.

13.6 Expected charge to profit or loss for the next financial year

The expected charge to profit or loss for the year ending 30 June 2026 amounts to Rs. 500.874 million.

13.7 Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

Interest risk: The discount rate used in determination of present value of defined benefit obligation has been determined by reference to the market yields at the reporting date on high quality corporate bonds, or where there is no deep market in such bonds, by reference to the market yields on government bonds. A decrease in market yield resulting in a lower discount rate will increase the defined benefit liability, and vice versa.

Salary risk: The present value of defined benefit obligation is calculated by reference to future salaries of plan participants. An increase in salary of plan participants will increase the defined benefit obligation and vice versa.

Withdrawal rate risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the withdrawal rate/attrition rate of plan participants. An increase in the withdrawal rate may increase/decrease the defined benefit liability and vice versa depending on the age-service distribution of the exiting employees.

Mortality rate risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during employment. An improvement in the mortality rates of the participants may increase/decrease the defined benefit liability and vice versa depending on the age-service distribution of the exiting employees.

14 DEFERRED MARK-UP

This represents mark-up accrued on redeemable preference shares (see note 10.5). This mark-up is not due for payment within twelve months from the reporting date and thus has been recognized as non-current liability.

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees [restated]
As at beginning of the year		**179,908,008**	-
Transferred from accrued mark-up		**-**	179,908,008
As at the end of the year		**179,908,008**	179,908,008
Unamortized notional interest	*14.1*	**(62,685,812)**	(83,611,125)
		117,222,196	96,296,883
Current maturity presented under current liabilities	*21*	**(4,512,285)**	-
		112,709,911	96,296,883

14.1 Unamortized notional interest

	30-Jun-25	30-Jun-24
As at beginning of the year	**83,611,125**	-
Recognized during the year	**-**	91,186,302
Amortized during the year	**(20,925,313)**	(7,575,177)
	62,685,812	83,611,125

14.1.1 Notional interest is being amortized at 21.73% per annum applied on opening balance of amortized cost of deferred mark-up liability.

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
15 DEFERRED TAXATION			
Deferred tax liability on taxable temporary differences	*15.1*	**512,406,734**	1,274,026,288
Deferred tax asset on deductible temporary differences	*15.1*	**(216,238,671)**	(752,820,399)
		296,168,063	521,205,889

15.1 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	30-Jun-25			
	As at 01-Jul-24 *Rupees*	**Recognized in profit or loss *Rupees***	**Recognized in OCI *Rupees***	**As at 30-Jun-25 *Rupees***
Deferred tax liabilities				
Property, plant and equipment	**1,235,245,474**	**(390,481,483)**	**(348,343,406)**	**496,420,585**
Redeemable capital	**38,780,814**	**(22,794,665)**	**-**	**15,986,149**
	1,274,026,288	**(413,276,148)**	**(348,343,406)**	**512,406,734**

	30-Jun-25			
	As at 01-Jul-24 *Rupees*	**Recognized in profit or loss *Rupees***	**Recognized in OCI *Rupees***	**As at 30-Jun-25 *Rupees***
Deferred tax assets				
Investments	**(300,326,985)**	**300,326,985**	**-**	**-**
Trade receivables	**(143,202,531)**	**93,581,387**	**-**	**(49,621,144)**
Other receivables	**(25,469,744)**	**(14,343,288)**	**-**	**(39,813,032)**
Employees retirement benefits	**(283,821,139)**	**162,611,952**	**(5,595,308)**	**(126,804,495)**
	(752,820,399)	**542,177,036**	**(5,595,308)**	**(216,238,671)**
	521,205,889	**128,900,888**	**(353,938,714)**	**296,168,063**

	30-Jun-24			
	As at 01-Jul-23 *Rupees*	Recognized in profit or loss *Rupees* *[restated]*	Recognized in OCI *Rupees* *[restated]*	As at 30-Jun-24 *Rupees*
Deferred tax liabilities				
Property, plant and equipment	-	660,463,033	574,782,441	1,235,245,474
Redeemable capital	-	38,780,814	-	38,780,814
	-	699,243,847	574,782,441	1,274,026,288
Deferred tax assets				
Investments	-	(300,326,985)	-	(300,326,985)
Trade receivables	-	(143,202,531)	-	(143,202,531)
Other receivables	-	(25,469,744)	-	(25,469,744)
Employees retirement benefits	-	(272,888,326)	(10,932,813)	(283,821,139)
	-	(741,887,586)	(10,932,813)	(752,820,399)
	-	(42,643,739)	563,849,628	521,205,889

15.2 Deferred tax has been recognized at 10.02% (30-Jun-24: 29%) of temporary differences.

		Note	**30-Jun-25** ***Rupees***	30-Jun-24 *Rupees*
16	**TRADE AND OTHER PAYABLES**			
	Trade creditors		**2,267,799,524**	3,215,967,672
	Advances from customers		**91,721,847**	113,353,052
	Accrued liabilities	*16.1*	**1,127,661,200**	1,011,460,669
	Tax deducted at source		**27,173,034**	21,730,534
	Sales tax payable		**3,341,291**	1,496,556
	Workers' Profits Participation Fund	*16.2*	**90,818,214**	56,111,006
	Workers' Welfare Fund	*16.3*	**34,498,996**	-
	Other payables		**9,030,712**	8,650,935
			3,652,044,818	4,428,770,424

16.1 These include employees retirement benefits amounting to Rs. 30.98 million (30-Jun-24: Rs. 25.45 million) due but unpaid as at the reporting date.

		Note	30-Jun-25	30-Jun-24
16.2	**Workers' Profits Participation Fund**			
	As at beginning of the year		**56,111,006**	100,759,318
	Charged to profit or loss for the year	*40*	**90,818,214**	56,111,006
	Paid during the year		**(56,111,006)**	(100,759,318)
	As at end of the year		**90,818,214**	56,111,006
16.3	**Workers' Welfare Fund**			
	As at beginning of the year		**-**	-
	Charged to profit or loss for the year	*40*	**34,498,996**	-
	Paid during the year		**-**	-
	As at end of the year		**34,498,996**	-
17	**SHORT TERM BORROWINGS**			
	Secured			
	Export refinances	*17.1 & 17.2*	**2,250,245,565**	2,138,251,091
	Bills payable	*17.1 & 17.2*	**69,871,462**	59,075,241
			2,320,117,027	2,197,326,332
	Unsecured			
	Book overdraft	*17.3*	**366,271,633**	8,093,584
			2,686,388,660	2,205,419,916

17.1 These facilities have been obtained from various banking companies and financial institutions for working capital requirements and are secured by way of common securities referred to in note 10.7, lien over firm export orders/documents, demand promissory notes and pledge of stocks.

17.2 Export refinances represent pre & post shipment refinance facilities under Export Facilitation Scheme of State Bank of Pakistan. These carry mark-up at SBP refinance rate plus banks' spread of 1.00% per annum with effective rates ranging from 8% to 19% per annum. Bills payable represent payables against letters of credit and carry commission at rates ranging from 0.10% to 0.40% per quarter.

17.3 These represent cheques issued by the Company in excess of balances at bank which have been presented for payments after the reporting period.

17.4 The aggregate un-availed short term borrowing facilities as at the reporting date amounts to Rs. 1,300.29 million (30-Jun-24: Rs. 546.82 million). Un-utilized limits for opening of letters of credit as at the reporting date amounts to Rs. 371.87 million (30-Jun-24: Rs. 538.40 million).

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
18	**ACCRUED MARK-UP/PROFIT ON BORROWINGS**			
	Redeemable capital			
	Conventional instruments		**9,725,427**	13,165,919
	Shariah compliant instruments		**1,002,062**	1,336,083
			10,727,489	14,502,002
	Long term finances			
	Conventional borrowings		**167,303,702**	156,093,858
			167,303,702	156,093,858
	Short term borrowings			
	Conventional borrowings		**26,983,046**	31,205,599
			26,983,046	31,205,599
			205,014,237	201,801,459
19	**LEVIES PAYABLE**			
	As at beginning of the year		**654,717,130**	483,400,658
	Charged to profit or loss for the year	*42*	**507,711,734**	463,207,973
	Paid/adjusted during the year		**(383,520,944)**	(291,891,501)
	As at end of the year		**778,907,920**	654,717,130
20	**INCOME TAXES PAYABLE**			
	As at beginning of the year		**73,325,476**	48,298,938
	Charged to profit or loss for the year	*43*	**114,340,654**	73,325,476
	Paid/adjusted during the year		**(73,325,476)**	(48,298,938)
	As at end of the year		**114,340,654**	73,325,476

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees [restated]
21	**CURRENT MATURITY OF NON-CURRENT LIABILITIES**			
	Redeemable capital	*10*	**414,332,007**	479,445,461
	Long term borrowings	*11*	**1,081,208,932**	1,081,208,932
	Lease liabilities	*12*	**-**	773,955
	Deferred interest	*14*	**4,512,285**	-
			1,500,053,224	1,561,428,348

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

22.1.1 Counter Guarantees given by the Company to its bankers as at the reporting date amount to Rs. 285.79 million (30-Jun-24: Rs. 285.79 million).

22.1.2 Bills discounted as at reporting date aggregate to Rs. 1,951.11 million (30-Jun-24: Rs. 2,767.17 million).

22.1.3 The Company has issued indemnity bonds amounting to Rs. 404.87 million (30-Jun-24: Rs. 1.01 billion) in favor of Collector of Customs and Sales Tax department in lieu of levies under various statutory notifications and these are likely to be released after the fulfilment of the terms of related notifications.

22.1.4 The Company has not accrued expense relating to Gas Infrastructure Development Cess ['GIDC'] billed to the Company prior to the promulgation of The Gas Infrastructure Development Cess, 2015. Total amount billed to the Company is Rs. 98.19 million. On appeal of the Company, the Honorable Lahore High Court decided the case of GIDC arrears in SNGPL bills in favor of the Company. SNGPL has filed appeal in division bench of Honorable Lahore High Court. SNGPL's appeal is pending adjudication. The management of the Company expect favorable outcome of the case.

22.1.5 The Company vide a constitutional petition (W.P. No. 8568/2023) has claimed refund of late payment surcharge amounting to Rs. 48.412 million collected by Sui Northern Gas Pipelines Limited on account of detection bill.

22.1.6 Employees' Old Age Benefits ['EOB'] contribution for employees is being calculated based on a basic salary of Rs. 13,000 instead of minimum wages notified for relevant financial years. The Company believes that the statutory increase in the minimum wage does not apply based on Supreme Court judgment (PLD 2017 SC 28) dated 27 September 2016, which has declared amendments made in Employees' Old Age Benefits Act, 1976 (and other welfare laws) as ultra vires to the Constitution of Pakistan as a result of which any statutory increase in contributions after 2005 is not legally binding on entities operating in Pakistan. Estimated amount involved is of Rs 32 million.

22.1.7 The Company made EOB contributions between Rs. 8,000 to Rs. 10,000 per month at the rate of 6% (including 1% employee's share), equivalent to approximately Rs. 480–600 per employee per month, in line with the amendments introduced through the Finance Act, 2005. However, the Supreme Court, vide its judgment dated 10 November 2016, declared the amendments made under the Finance Acts of 2005–2008 as ultra vires the Constitution of Pakistan, effective retrospectively from 01 July 2005. Consequently, the contribution payable was restricted to Rs. 170 per employee per month. Accordingly, the Company filed a petition under Section 33 before the Adjudicating Authority of Employees' Old-Age Benefits Institution ['EOBI'], seeking reimbursement/adjustment of Rs. 298.66 million, representing the excess amount paid to EOBI from July 2005 to June 2017, inclusive of a 50% increase. The Adjudicating Authority, however, disposed of the petition on 10 March 2020 pending the outcome of the review petition filed by EOBI in the Supreme Court, after which the matter will be decided in accordance with the Court's judgment. The Company has filed an appeal against the petition disposed off by the Adjudicating Authority before Board of Trustees of EOBI at Karachi, which is still pending final decision.

22.1.8 EOBI through its letter dated 05 August 2019 raised a demand of Rs. 151.90 million inclusive of 50% increase on account of the contribution less paid from July 2015 to June 2019. The Company filed a complaint under section 33 of Employees' Old Age Benefits Act, 1976 before the Adjudicating Authority and challenged the validity of the claim. The Adjudicating Authority, vide order dated 22 December 2021 has restrained to press the recovery of the claim instituted by the EOBI till the final outcome of the review petition filed by EOBI in Supreme Court upon which the matter will be resolved in accordance with the Judgement passed by the Court.

22.1.9 EOBI through its letter dated 20 May 2020 raised a demand of Rs. 14.73 million inclusive of 50% increase on account of the contribution less paid from July 2012 to January 2020 The Company filed a complaint under section 33 of Employees' Old Age Benefits Act, 1976 before the Adjudicating Authority and challenged the validity of the claim. The Adjudicating Authority vide order dated 22 December 2021 has restrained to press the recovery of the claim instituted by the EOBI till the final outcome of the review petition filed by EOBI in Supreme Court upon which the matter will be resolved in accordance with the Judgement passed by the Court.

22.1.10 In respect of tax year 2019, the Additional Commissioner Inland Revenue ['ACIR'], vide order dated 19 October 2022, amended the assessment under section 122(9) of the Ordinance. In doing so, the ACIR imposed super tax of Rs. 12.79 million, disallowed the set-off of unused tax depreciation carried forward from tax year 2013 against profit on debt of Rs. 23.91 million and taxed profit on sales tax refund bonds of Rs. 1.59 million which was treated as notional income by the Company. Furthermore, while amending the deemed order for tax year 2019, the ACIR also amended the order for tax year 2013, reducing the assessed depreciation from Rs. 333.92 million to Rs. 85.78 million. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who, vide order dated 27 May 2024, directed the ACIR to recompute the super tax liability, reassess the treatment of profit on debt and profit on sales tax refund bonds and deleted the impugned addition relating to unused tax depreciation. Dissatisfied with the outcome, the Company filed an appeal before the Appellate Tribunal Inland Revenue on 25 June 2024, which is currently pending adjudication.

22.1.11 In respect of tax year 2021, the Additional Commissioner Inland Revenue ['ACIR'], through an order dated 25 September 2023 under Section 122(5A) of the Income Tax Ordinance, 2001, amended the assessment by treating profit on debt as normal income and disallowing mark-up expenses and adjustment against brought forward losses. Consequently, normal tax liability was assessed at Rs. 6.22 million against nil liability declared by the Company. The Company filed an appeal before the Commissioner Inland Revenue Appeals ['CIR(A)'], who, vide order dated 27 May 2024, referred the matter back to the Additional Commissioner Inland Revenue for reconsideration in light of Apex Court decisions. The Company subsequently filed an appeal before the Appellate Tribunal Inland Revenue on 25 June 2024, which is pending adjudication.

22.1.12 In respect of tax year 2022, Additional Commissioner Inland Revenue ['ACIR'], through an order dated 28 September 2023 under Section 122(5A) of the Income Tax Ordinance, 2001, amended the assessment by raising super tax liability, treating profit on debt as normal income and disallowing mark-up expenses and adjustment against brought forward losses. This resulted in a tax liability of Rs. 30.10 million against nil liability declared by the Company. The Company filed an appeal before the Commissioner Inland Revenue Appeals ['CIR(A)'], who, vide order dated 27 May 2024, referred the matter back to the Additional Commissioner Inland Revenue for reconsideration in light of Apex Court decisions. The Company subsequently filed an appeal before the Appellate Tribunal Inland Revenue on 25 June 2024, which is pending adjudication.

22.1.13 In respect of tax year 2024, the Additional Commissioner Inland revenue ['ACIR'] issued a notice dated 21 January 2025 under Section 4C of the Income Tax Ordinance, 2001, raising a demand for super tax amounting to Rs. 148.71 million. The Company filed a writ petition before the Islamabad High Court [the 'Court'], which is a pending adjudication. However, the Court, vide order dated 10 February 2025 has restrained the ACIR from enforcing the demand of super tax or to use any coercive measures for recovery of super tax against the Company.

22.1.14 On 28 October 2022, the Additional Commissioner Inland Revenue ['ACIR'] passed a post-refund order under the Sales Tax Act, 1990, creating a demand of Rs. 37.64 million for the period December 2015 to February 2016 by disregarding the records submitted by the Company. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) ['CIR(A)'], who, vide order dated 7 March 2023, annulled the order except for the additions amounting to Rs. 469,970 which remained upheld. Aggrieved by the basis of this decision, the Company filed an appeal before the Appellate Tribunal Inland Revenue, who, vide order dated 24 January 2024, deleted the entire demand. The Department thereafter filed a reference before the Lahore High Court, who, vide order dated 24 June 2025, remanded the case back to the Appellate Tribunal for fresh hearing. The matter is a pending adjudication.

22.1.15 On 23 May 2025, the Assistant Commissioner Inland Revenue ['ACIR'] passed a post-refund order under the Sales Tax Act, 1990, creating a sales tax demand of Rs. 280 million along with a penalty of Rs. 14 million for the period September 2024 to November 2024. The Company filed an appeal before the Appellate Tribunal Inland Revenue ['ATIR'] on the basis of monetary threshold. The ATIR vide order dated 19 September 2025 decided the matter in favor of the Company by deleting the entire demand except for Rs. 1.03 million pertaining to inadmissible input tax claimed by the Company, in respect of which the ATIR directed the ACIR to conduct fresh proceedings and verify records to determine the admissibility of input tax. The matter is a pending adjudication.

22.1.16 Montebello S.R.L ['MBL'] was placed into bankruptcy by an Italian court (the Court of Vicenza) in 2015, with a court-appointed trustee taking control of the company's affairs. In 2021, an entity incorporated in the United Arab Emirates, Taybah Capital Ltd. ['TCL'], assumed conduct of the liquidation process of MBL. From these insolvency events emerged two distinct litigation tracks in Italy that are relevant to the Company.

The first is the liquidation or insolvency track before the Court of Vicenza, followed by appellate stages in Venice and Rome. During the liquidation, creditors, including TCL, filed claims, and the Company also filed a claim in its own right. The Court of Vicenza accepted TCL's claim and awarded approximately EUR 2,048,783. The Company appealed, and the Court of Appeal of Venice partially accepted certain grounds on points of law but left intact, on the merits, the trial-level outcome in favor of TCL. The Company has since filed a further appeal to the Supreme Court of Cassation in Rome. As per the Company's Italian counsel, the Cassation stage is confined to issues of law and that, while the appeal remains pending, the practical exposure there is largely limited to costs.

The second track is a separate damages action brought by TCL directly against the Company before the Court of Venice. TCL commenced this suit by writ of summons dated 31 March 2021 for an amount of approximately EUR 7 million alleging that the Company's dealings with MBL gave rise to recoverable loss. In 2023 the Venice court appointed an independent technical expert to assess quantum and related matters. The expert filed a final report on 21 November 2023 that, according to the Company's Italian counsel, substantially narrowed the claim. The report identifies and quantifies certain items as 'preferential' transactions or analogous concepts under Italian law therefore not giving rise to compensable damage. Following the expert phase and party submissions, TCL applied in 2025 to introduce further documentation; the Venice court granted this request, re-opened the record, and reset the timetable. A hearing for clarification of conclusions occurred in May–July 2025, with a schedule for closing briefs (sixty days) and replies (twenty days), after which judgment is expected. Italian counsel characterizes the 'prognosis of defeat' for the Company as negative, meaning they do not anticipate an adverse outcome, but, even on a contrary result, the realistic quantum is materially lower than the original EUR 7 million headline.

Since the matter is sub-judice and it may take several years for a final decision, and for reasons specified in note 2.3.1(c), the Company has not recorded any provision in these financial statements.

		30-Jun-25	30-Jun-24
		Rupees	*Rupees*
22.2	**Commitments**		
22.2.1	**Commitments under irrevocable letters of credit for:**		
	- Purchase of plant, machinery and loose tools	**526,388,662**	182,475,526
	- Purchase of raw material	**18,712,155**	52,774,586
		545,100,817	235,250,112
22.2.2	**Commitments for capital expenditure**		
	- Commitments for capital expenditure	**592,370,479**	158,676,099
		592,370,479	158,676,099

22.2.3 Commitments under short term leases

The Company has various rented premises under short term lease arrangements. Lease agreement covers a period of upto one year and is renewable/extendable on mutual consent. Lease rentals are payable monthly/quarterly in advance. Commitments for payments in future periods under the lease agreement are as follows:

	30-Jun-25	30-Jun-24
	Rupees	*Rupees*
Payments not later than one year	**44,281,403**	34,503,762
Payments later than one year	**-**	-
	44,281,403	34,503,762

23 PROPERTY, PLANT AND EQUIPMENT

Particulars	30-Jun-25 COST / REVALUED AMOUNTS As at 01-Jul-24 Rupees	Additions Rupees	Disposals Rupees	Revaluation adjustment Rupees	Transfers Rupees	As at 30-Jun-25 Rupees	Rate %	DEPRECIATION As at 01-Jul-24 Rupees	For the year Rupees	Disposals Rupees	Transfers Rupees	As at 30-Jun-25 Rupees	Net book value as at 30-Jun-25 Rupees
Operating fixed assets													
Freehold land	1,573,950,000	-	-	-	-	1,573,950,000	-	-	-	-	-	-	1,573,950,000
Buildings on freehold land	2,615,798,690	-	-	-	219,749,421	2,835,548,111	5	284,528,690	117,479,120	-	-	402,007,810	2,433,540,301
Plant and machinery	7,299,501,078	34,212,467	(10,397,948)	-	926,978,792	8,250,294,389	10	1,532,828,078	629,104,102	(3,092,816)	-	2,158,839,364	6,091,455,025
Office equipment and fixtures	610,213,764	16,527,936	-	-	-	626,741,700	10	361,866,333	25,647,431	-	-	387,513,764	239,227,936
Electrical installations	289,479,659	29,223,638	-	-	-	318,703,297	10	149,836,165	15,430,636	-	-	165,266,801	153,436,496
Computer hardware and allied items	178,612,152	21,758,353	-	-	-	200,370,505	30	138,475,547	15,909,437	-	-	154,384,984	45,985,521
Vehicles	256,928,359	75,051,805	(4,882,780)	-	2,783,000	329,880,384	20	79,547,410	42,921,230	(3,245,348)	1,862,517	121,085,809	208,794,575
	12,824,483,702	176,774,199	(15,280,728)	-	1,149,511,213	14,135,488,386		2,547,082,223	846,491,956	(6,338,164)	1,862,517	3,389,098,532	10,746,389,854
Capital work in progress													
Buildings	137,582,742	93,559,973	-	-	(219,749,421)	11,393,294		-	-	-	-	-	11,393,294
Plant and machinery	553,492,066	1,708,743,720	-	-	(926,978,792)	1,335,256,994		-	-	-	-	-	1,335,256,994
	691,074,808	1,802,303,693	-	-	(1,146,728,213)	1,346,650,288		-	-	-	-	-	1,346,650,288
Right of use assets													
Vehicles	2,783,000	-	-	-	(2,783,000)	-	20	1,814,071	48,446	-	(1,862,517)	-	-
	13,518,341,510	1,979,077,892	(15,280,728)	-	-	15,482,138,674		2,548,896,294	846,540,402	(6,338,164)	-	3,389,098,532	12,093,040,142

Particulars	30-Jun-24 COST / REVALUED AMOUNTS As at 01-Jul-23 Rupees	Additions Rupees	Disposals Rupees	Revaluation adjustment Rupees	Transfers Rupees	As at 30-Jun-24 Rupees	Rate %	DEPRECIATION As at 01-Jul-23 Rupees	For the year Rupees	Disposals Rupees	Transfers Rupees	As at 30-Jun-24 Rupees	Net book value as at 30-Jun-24 Rupees
Operating fixed assets													
Freehold land	1,316,405,000	-	-	257,545,000	-	1,573,950,000	-	-	-	-	-	-	1,573,950,000
Buildings on freehold land	2,493,854,794	-	-	58,572,297	63,371,599	2,615,798,690	5	167,123,679	117,405,011	-	-	284,528,690	2,331,270,000
Plant and machinery	6,891,009,366	90,869,625	(4,055,138)	89,431,478	232,245,747	7,299,501,078	10	931,131,337	602,573,665	(876,924)	-	1,532,828,078	5,766,673,000
Office equipment and fixtures	549,903,556	60,310,208	-	-	-	610,213,764	10	338,360,708	23,505,625	-	-	361,866,333	248,347,431
Electrical installations	268,006,064	21,473,595	-	-	-	289,479,659	10	135,681,874	14,154,291	-	-	149,836,165	139,643,494
Computer hardware and allied items	166,246,443	12,365,709	-	-	-	178,612,152	30	124,756,831	13,718,716	-	-	138,475,547	40,136,605
Vehicles	131,285,823	138,482,276	(12,839,740)	-	-	256,928,359	20	62,801,477	20,232,044	(3,486,111)	-	79,547,410	177,380,949
	11,816,711,046	323,501,413	(16,894,878)	405,548,775	295,617,346	12,824,483,702		1,759,855,906	791,589,352	(4,363,035)	-	2,547,082,223	10,277,401,479
Capital work in progress													
Buildings	69,940,589	131,013,752	-	-	(63,371,599)	137,582,742	-	-	-	-	-	-	137,582,742
Plant and machinery	36,743,753	748,994,060	-	-	(232,245,747)	553,492,066	-	-	-	-	-	-	553,492,066
	106,684,342	880,007,812	-	-	(295,617,346)	691,074,808		-	-	-	-	-	691,074,808
Right of use assets													
Vehicles	2,783,000	-	-	-	-	2,783,000	20	1,571,838	242,233	-	-	1,814,071	968,929
	11,926,178,388	1,203,509,225	(16,894,878)	405,548,775	-	13,518,341,510		1,761,427,744	791,831,585	(4,363,035)	-	2,548,896,294	10,969,445,216

23.1 Free hold land of the Company is located at Manga with a total area of 71.54 Acres including covered area of 1,389,022 square feet.

23.2 Transfers represent transfers from capital work in progress on related assets becoming available for use and those from right-of-use assets on transfer of ownership at the end of lease term.

23.3 Disposal of operating fixed assets

30-Jun-25

	Cost / revalued amount Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain/(loss) on disposal Rupees	Mode of disposal	Particulars of buyer
Plant and machinery							
Auto coro spinning machine	**3,302,200**	**1,047,733**	**2,254,467**	**2,500,000**	**245,533**	**Negotiation**	**Waqas Sana-Ullah, Lahore.**
Auto coro spinning machine	**7,095,748**	**2,045,083**	**5,050,665**	**5,084,746**	**34,081**	**Negotiation**	**Al-Mushtaq Corporation, Faisalabad.**
	10,397,948	**3,092,816**	**7,305,132**	**7,584,746**	**279,614**		
Vehicles							
Toyota Corolla	**2,031,280**	**1,282,469**	**748,811**	**2,200,000**	**1,451,189**	**Negotiation**	**Musa Auto Workshop, Lahore.**
Toyota Corolla	**2,783,000**	**1,894,815**	**888,185**	**-**	**(888,185)**	**Company policy**	**Chaudhry Riaz Ahmed *(executive employee)***
Assets having net book value less than Rs. 500,000 each	**68,500**	**68,064**	**436**	**30,000**	**29,564**	**Insurance claim**	**Jubilee General Insurance.**
	4,882,780	**3,245,348**	**1,637,432**	**2,230,000**	**592,568**		
	15,280,728	**6,338,164**	**8,942,564**	**9,814,746**	**872,182**		

30-Jun-24

	Cost / revalued amount Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain/(loss) on disposal Rupees	Mode of disposal	Particulars of buyer
Plant and Machinery							
Textile Machines	4,055,138	876,924	3,178,214	3,500,000	321,786	Negotiation	Ideal Trading Company
	4,055,138	876,924	3,178,214	3,500,000	321,786		
Vehicles							
Toyota Corolla	1,935,000	1,041,632	893,368	1,935,000	1,041,632	Negotiation	Asif Javed
Toyota Fortuner	10,904,740	2,444,479	8,460,261	7,725,000	(735,261)	Company policy	Shahzad Akram Gill *(executive employee)*
	12,839,740	3,486,111	9,353,629	9,660,000	306,371		
	16,894,878	4,363,035	12,531,843	13,160,000	628,157		

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
23.4	The depreciation charge for the year has been allocated as follows:			
	Cost of sales	36	**781,612,338**	753,002,005
	Administrative expenses	39	**64,928,064**	38,829,580
			846,540,402	791,831,585

23.5 Most recent valuation of land, building and plant and machinery was carried out by an independent valuer, Hamid Mukhtar and Company (Private) Limited, on 30 June 2024 and was incorporated in the financial statements for the year then ended. For basis of valuation, refer to note 2.3.2(b) and (c).

Had there been no revaluation, the net book values of revalued items of property, plant and equipment would have been as follows:

	30-Jun-25 Rupees	30-Jun-24 Rupees
Freehold land	**190,982,598**	190,982,598
Buildings on freehold land	**1,722,213,950**	1,582,479,610
Plant and machinery	**5,114,397,133**	4,680,502,348

23.6 As per most recent valuation, forced sale values of freehold land, buildings on freehold land and plant and machinery are as follows:

	30-Jun-24 Rupees
Freehold land	1,259,160,000
Buildings on freehold land	1,748,450,000
Plant and machinery	5,766,673,000

24 LONG TERM INVESTMENTS

These represent investments in unlisted debt and equity securities which have been designated as 'financial assets at fair value through other comprehensive income'. However, due to absence of information required for estimation of fair values of these unlisted investments reliably, these investments have been carried at cost less accumulated impairment.

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
Agritech Limited			
26,238,785 preference shares of Rs. 10 each (30-Jun-24: 53,259 term finance certificates of Rs. 4,926.66 each)			
Cost	24.1	**262,387,853**	262,387,853
Accumulated impairment		**-**	(110,923,065)
		262,387,853	151,464,788
13,805,427 preference shares classified as short term investment	31	**(138,054,273)**	(138,054,273)
		124,333,580	13,410,515
Montebello s.r.l.			
6,700,000 ordinary shares with a capital of Euro 6,700,000			
Cost	24.2	**2,625,026,049**	2,625,026,049
Accumulated impairment		**(2,625,026,049)**	(2,625,026,049)
		-	-
		124,333,580	13,410,515

24.1 This represents investment in Term Finance Certificates ['TFCs'] issued by Agritech Limited ['AGL'] and converted into unlisted, redeemable, non-convertible, cumulative preference shares during the year. The original issue was scheduled for redemption in thirteen unequal semi-annual instalments with the first installment due in July 2013. However, pursuant to AGL's restructuring scheme sanctioned by the Honorable Lahore High Court effective 31 December 2013, AGL made a partial payment of Rs. 3.69 million with the remaining balance settled through the issuance of 26.42 million redeemable preference shares of Rs. 10 each. These preference shares provide the Company with preferred right of dividend at one year KIBOR plus 4% per annum on cumulative basis and carry limited voting rights.

	Note	30-Jun-25	30-Jun-24
		Rupees	*Rupees*
24.1.1 Changes in impairment allowance			
As at beginning of the year		**110,923,065**	113,472,467
Reversed during the year	*52.1.6*	**(110,923,065)**	(2,549,402)
As at end of the year		**-**	110,923,065

24.2 This represents investment in ordinary shares of Montebello s.r.l ['MBL'], presviously a related party, incorporated in Italy. The Company holds 100% shareholding in MBL. However, due to circumstances described in note 22.1.16, the Company has ceased to exercise control over activities of MBL in terms of paragraph 7 of International Financial Reporting Standard 10 'Consolidated Financial Statements'. Therefore, the Company has ceased recognizing and presenting MBL as its subsidiary.

25 LONG TERM DEPOSITS

These have been deposited with various utility companies and regulatory authorities. These are classified as 'financial assets at amortized cost' under IFRS 9 which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

26 STOCK IN TRADE

	Note	30-Jun-25	30-Jun-24
		Rupees	*Rupees*
Raw material		**1,032,343,548**	2,205,932,149
Work in process		**2,413,351,074**	3,679,053,342
Finished goods	*26.1*	**2,221,771,199**	1,681,694,253
		5,667,465,821	7,566,679,744

26.1 Finished goods include stock in transit amounting to Rs. 498.96 million (30-Jun-24: Rs. 289.08 million).

26.2 Finished goods includes stock of waste valued at Rs. 5.32 million (30-Jun-24: Rs. 13.51 million). The entire stock of waste is valued at net realizable value.

26.3 Detail of stock in trade pledged as security is presented in note 56 to the financial statements.

27 TRADE RECEIVABLES

	Note	30-Jun-25	30-Jun-24
		Rupees	*Rupees*
Local			
- secured, considered good	*27.1*	**455,812,353**	376,154,642
- unsecured, considered good		**476,163,926**	415,342,010
- unsecured, considered impaired		**14,692,518**	13,090,668
		946,668,797	804,587,320
Foreign			
- secured, considered good	*27.1*	**1,870,541,722**	2,667,507,791
- unsecured, considered good		**1,056,735,071**	770,800,516
- unsecured, considered impaired	*27.2*	**480,711,162**	480,711,162
		3,407,987,955	3,919,019,469
		4,354,656,752	4,723,606,789
Impairment allowance for expected credit losses	*27.3*	**(495,403,680)**	(493,801,830)
		3,859,253,072	4,229,804,959

27.1 These are secured against letters of credit of local and international banks.

27.2 This includes an amount of Rs. 452.53 million (30-Jun-24: 452.53 million) receivable from Montebello s.r.l, previously a related party. Due to the facts presented in 22.1.16, the amount due is considered 'in-default' and thus an equivalent impairment allowance has been recognized.

	Note	**30-Jun-25**	30-Jun-24
		Rupees	*Rupees*
27.3 Impairment allowance for expected credit losses			
As at beginning of the year		**493,801,830**	492,701,723
Recognized during the year	*52.1.6*	**1,601,850**	1,100,107
As at end of the year		**495,403,680**	493,801,830

28 RECEIVABLE AGAINST SALE OF SPINNING UNIT

This represents receivable against the disposal of the Company's spinning unit at Muzaffargarh ['Muzaffargarh Unit'] sold pursuant to Creditors' Scheme of Arrangement referred to in note 52.2.2. The release of funds relating to the land portion has been delayed on the part of the buyer. The agent banks are addressing this delay and actively working to resolve the related issues. The full amount is expected to be received in the near future. Upon realization of the complete proceeds, distributions will be made to creditors in accordance with the approved scheme of arrangement. Title of land and building is in the name of Azgard Nine Limited while original property documents are with the agent bank.

	Note	**30-Jun-25**	30-Jun-24
		Rupees	*Rupees*
29 DEPOSITS AND PREPAYMENTS			
Security deposits		**15,655,055**	52,870,845
Margin deposits	*29.1*	**471,987,693**	45,309,925
Prepaid levies		**874,626,582**	460,645,195
		1,362,269,330	558,825,965

29.1 These represents deposits held by financial institutions against bank guarantees and letters of credit.

	Note	**30-Jun-25**	30-Jun-24
		Rupees	*Rupees*
30 ADVANCES AND OTHER RECEIVABLES			
Advances to suppliers		**669,625,583**	894,939,568
Advances to employees			
- against salaries and post employment benefits	*30.1*	**51,224,955**	31,125,193
- against purchases and expenses		**71,561,299**	65,506,205
Rebate receivable		**628,527,061**	499,264,399
Letters of credit		**449,386**	35,105,595
Insurance claims receivable		**7,670,889**	-
Receivable under novation agreement	*30.2*	**33,000,000**	33,000,000
Dividend receivable	*30.3*	**-**	-
Other receivables		**2,907,696**	8,153,286
		1,464,966,869	1,567,094,246

30.1 These include advances to employees against future salaries and post employment benefits in accordance with the Company policy. Reconciliation of carrying amount of advances to executives is as follows:

As at the beginning of the year	**18,874,291**	12,804,900
Paid during the year	**21,468,000**	20,784,670
Recovered during the year	**(18,421,401)**	(14,715,279)
As at the end of the year	**21,920,890**	18,874,291

30.2 This represents amount transferred to Dubai Islamic Bank ['DIB'], pursuant to the Novation Agreement dated 26 June 2014 between the Company, DIB and Agritech Limited for novation of a receivable of Rs. 33 million. However, subsequent to reporting date, AGL transferred preference shares for an equal amount to DIB, which will ultimately be vested in the Company.

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees [restated]
30.3 Dividend receivable			
Gross amount due	*30.3.1*	**397,482,225**	342,019,831
Impairment allowance for expected credit losses	*30.3.2*	**(397,482,225)**	(342,019,831)
		-	-

30.3.1 This represents mark-up receivable on Term Finance Certificates ['TFCs'] issued by Agritech Limited ['AGL']. In previous year, the outstanding markup receivable was restructured by AGL, pursuant to AGL's restructuring scheme sanctioned by the Honorable Lahore High Court effective 31 December 2013, whereby AGL made a partial payment of Rs. 12.67 million while remaining mark-up was converted in into dividend payable on preference shares. Following the successful completion of legal formalities regarding induction of these preference shares into the central depository system, the Company has recognized dividend accrued upto 30 June 2025 as income and receivable. However, as the chances of recovery are considered remote, impairment allowance equivalent to the gross amount of dividend receivable has been made.

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees [restated]
30.3.2 Impairment allowance for expected credit losses			
As at the beginning of the year		**342,019,831**	270,657,709
Recognized during the year	*52.1.6*	**55,462,394**	71,362,122
As at the end of the year		**397,482,225**	342,019,831

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
31 SHORT TERM INVESTMENTS			
Investment in mutual fund units			
Cost of investment	*31.1*	**563,634**	16,589,373
Changes in fair value		**(14,347)**	-
		549,287	16,589,373
Agritech Limited			
13,805,427 preference shares of Rs. 10 each (30-Jun-24: 28,022 TFCs of Rs. 4,995.86 each)			
Cost of investment	*31.2*	**138,054,273**	138,054,273
		138,603,560	154,643,646

31.1 These represent investments in mutual funds. These, being held for trading, are required to be measured at fair value through profit or loss mandatorily. Accordingly, these have been classified as 'financial assets at fair value through profit or loss'. Particulars of investments are as follows:

	30-Jun-25	30-Jun-24
	Rupees	*Rupees*
Al Meezan Investment Management Limited		
963.8822 units (30-Jun-24: 28,100.4283 units) Market value per unit: Rs. 50 (30-Jun-24: Rs. 50)		
Cost of investment	**48,194**	1,405,021
Changes in fair value	**-**	-
	48,194	1,405,021
Al Habib Asset Management Limited		
2,374.3771 units (30-Jun-24: 33,768.9189 units) Market value per unit: Rs. 100.4693 (30-Jun-24: Rs. 100)		
Cost of investment	**244,141**	3,376,892
Changes in fair value	**(5,589)**	-
	238,552	3,376,892
ABL Funds		
18,057.7509 units (30-Jun-24: 798,289.0110 units) Market value per unit: Rs. 10.0171 (30-Jun-24: Rs. 10)		
Cost of investment	**183,097**	7,982,890
Changes in fair value	**(2,211)**	-
	180,886	7,982,890
HBL Islamic Money Market Fund		
804.0509 units (30-Jun-24: 37,801.7524 units) Market value per unit: Rs. 101.5544 (30-Jun-24: Rs. 101.1744)		
Cost of investment	**88,202**	3,824,570
Changes in fair value	**(6,547)**	-
	81,655	3,824,570
	549,287	16,589,373

31.2 This represents investment in preference shares issued by Agritech Limited ['AGL'] classified as 'financial assets at fair value through other comprehensive income', held for the settlement of the Company's outstanding debt finances pursuant to the Creditors' Scheme of Arrangement duly sanctioned by the Honourable Lahore High Court, whereby, a part of the restructured debts are intended to be settled through the proceeds realized from these instruments and have therefore been classified as short term investments. See note 24.1.

	30-Jun-25	30-Jun-24
	Rupees	*Rupees*
32 TAX REFUNDS DUE FROM GOVERNMENT		
Income tax refundable/adjustable	**22,006,616**	18,100,090
Sales tax refundable adjustable	**1,130,033,954**	703,926,594
	1,152,040,570	722,026,684

33 FUNDS FOR RESTRUCTURING SCHEME

These represent funds received against disposal of assets pursuant to the Creditors' Scheme of Arrangement referred to in note 52.2.2. These funds are held in an Escrow account maintained with Bank Makramah Limited and will be utilized to settle the liabilities of the Company restructured under the Approved Scheme. These carry return under at rates ranging from 9.55% to 19.05% per annum (30-Jun-24: 18.32% to 21.46% per annum).

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
34	**CASH AND BANK BALANCES**			
	Cash in hand		**6,049,867**	4,996,884
	Bank balances			
	- current accounts in local currency		**114,599,471**	114,288,678
	- deposit accounts in local currency	*34.1*	**993,021,239**	642,728,504
	- retention accounts in foreign currency	*34.2*	**138,356,285**	148,538,323
			1,245,976,995	905,555,505
			1,252,026,862	910,552,389

34.1 These carry return at rates ranging from 9.25% to 19.15% per annum (30-Jun-24: 20.5% to 20.65% per annum).

34.2 These represent Exporters' Special Foreign Currency Accounts maintained to retain a portion of export proceeds in accordance with Chapter 12 of the Foreign Exchange Manual of the State Bank of Pakistan.

35 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	30-Jun-25 Local Rupees	30-Jun-25 Export Rupees	30-Jun-25 Total Rupees
Sale of goods	*35.1*	**2,409,343,785**	**40,217,475,500**	**42,626,819,285**
Processing income		**140,490,529**	**-**	**140,490,529**
Waste and others		**15,211,735**	**-**	**15,211,735**
Gross revenue		**2,565,046,049**	**40,217,475,500**	**42,782,521,549**
Sales tax		**(398,859,947)**	**(1,693,517,318)**	**(2,092,377,265)**
Export development surcharge		**-**	**(75,056,913)**	**(75,056,913)**
Trade discounts		**-**	**(10,074,139)**	**(10,074,139)**
		2,166,186,102	**38,438,827,130**	**40,605,013,232**

	Note	30-Jun-24 Local Rupees	30-Jun-24 Export Rupees	30-Jun-24 Total Rupees
Sale of goods	*35.1*	2,254,865,524	35,530,472,271	37,785,337,795
Processing income		151,964,445	-	151,964,445
Waste and others		14,570,240	-	14,570,240
Gross revenue		2,421,400,209	35,530,472,271	37,951,872,480
Sales tax		(376,058,942)	(977,579,142)	(1,353,638,084)
Export development surcharge		-	(69,553,460)	(69,553,460)
Trade discounts		-	(11,504,846)	(11,504,846)
		2,045,341,267	34,471,834,823	36,517,176,090

35.1 Export of goods include indirect exports, taxable under Section 154 (3b) of the Income Tax Ordinance, 2001, amounting to Rs. 9,349.66 million (30-Jun-24: Rs. 7,766.21 million).

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
36	**COST OF SALES**			
	Raw, chemical and packing materials consumed		**23,040,774,274**	23,424,386,781
	Stores, spares and loose tools consumed		**704,611,860**	573,067,576
	Salaries, wages and benefits	*36.1*	**5,944,353,607**	5,083,977,682
	Fuel and power		**2,635,237,576**	2,516,908,262
	Traveling, conveyance and entertainment		**463,523,191**	492,634,227
	Rent, rates and taxes		**85,847,594**	70,902,129
	Fee and subscription		**5,790,424**	3,398,532
	Insurance		**63,442,370**	66,850,858
	Repair and maintenance		**126,757,942**	66,496,663
	Processing charges		**1,023,623,383**	808,222,601
	Depreciation	*23.4*	**781,612,338**	753,002,005
	Printing and stationery		**19,890,348**	18,434,429
	Communication		**3,702,761**	3,671,524
	Miscellaneous		**459,659**	1,614,859
	Manufacturing cost		**34,899,627,327**	33,883,568,128
	Work in process			
	As at beginning of the year		**3,679,053,342**	1,944,167,804
	As at end of the year		**(2,413,351,074)**	(3,679,053,342)
			1,265,702,268	(1,734,885,538)
	Cost of goods manufactured		**36,165,329,595**	32,148,682,590
	Finished goods			
	As at beginning of the year		**1,681,694,253**	1,466,568,723
	As at end of the year		**(2,221,771,199)**	(1,681,694,253)
			(540,076,946)	(215,125,530)
			35,625,252,649	31,933,557,060

36.1 These include charge in respect of employees retirement benefits amounting Rs. 337.92 million (30-Jun-24: Rs. 289.29 million).

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees [restated]
37	**OTHER INCOME**			
	Gains on financial instruments			
	Return on bank deposits		**451,057,982**	465,779,461
	Dividend income	*37.1*	**56,058,669**	90,270,295
	Gain on disposal of short term investments		**793,907**	-
	Foreign exchange gain - *unrealized*		**24,843,471**	-
			532,754,029	556,049,756
	Others			
	Export subsidies and rebates		**311,333,095**	243,834,464
	Gain on disposal of property, plant and equipment	*23.3*	**872,182**	628,157
	Miscellaneous		**607,354**	697,400
			312,812,631	245,160,021
			845,566,660	801,209,777

37.1 This includes dividend on preference shares amounting to Rs. 55.46 million (30-Jun-24: Rs. 61.82 million) recognized on successful completion of legal formalities regarding induction of these preference shares into the central depository system. See note 30.3.

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
38	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, wages and benefits	*38.1*	**481,069,862**	436,251,395
	Commission		**167,271,429**	191,393,148
	Traveling, conveyance and entertainment		**128,648,490**	158,193,461
	Repair and maintenance		**5,517,144**	1,681,556
	Rent, rates and taxes		**6,265,299**	1,953,372
	Insurance		**1,562,430**	2,534,481
	Freight and other expenses		**776,852,479**	786,617,096
	Printing and stationery		**577,910**	751,000
	Communication		**1,308,728**	947,971
	Advertisement and marketing		**264,241,922**	296,078,411
	Fee and subscription		**17,364,153**	21,850,203
	Miscellaneous		**60,765**	399,821
			1,850,740,611	1,898,651,915

38.1 These include charge in respect of employees retirement benefits amounting Rs. 24.1 million (30-Jun-24: Rs. 14.39 million).

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
39	**ADMINISTRATIVE EXPENSES**			
	Salaries and benefits	*39.1*	**646,742,481**	538,176,665
	Traveling, conveyance and entertainment		**101,958,246**	92,119,294
	Fuel and power		**28,743,283**	67,885,482
	Repair and maintenance		**61,586,693**	71,343,539
	Rent, rates and taxes		**13,879,666**	11,415,809
	Insurance		**5,200,514**	3,222,733
	Printing and stationery		**5,871,988**	5,564,293
	Communication		**11,585,719**	10,566,481
	Legal and professional		**22,045,678**	19,888,901
	Auditor's remuneration	*39.2*	**5,256,500**	5,541,375
	Depreciation	*23.4*	**64,928,064**	38,829,580
	Fee and subscription		**29,893,478**	39,114,975
	Miscellaneous		**4,070,735**	7,421,545
			1,001,763,045	911,090,672

39.1 These include charge in respect of employees retirement benefits amounting Rs. 40.99 million (30-Jun-24: Rs. 25.69 million).

		30-Jun-25 Rupees	30-Jun-24 Rupees
39.2	**Auditor's remuneration**		
	Annual statutory audit	**3,360,000**	3,360,000
	Limited scope review	**1,050,000**	1,047,375
	Review report under Code of Corporate Governance	**346,500**	346,500
	Certifications	**-**	315,000
	Out of pocket expenses	**500,000**	472,500
		5,256,500	5,541,375

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
40	**OTHER EXPENSES**			
	Loss on financial instruments			
	Changes in fair value of short term investments		**14,347**	-
	Foreign exchange loss - *unrealized*		**-**	22,325,449
			14,347	22,325,449
	Others			
	Workers' Profit Participation Fund		**90,818,214**	56,111,006
	Workers' Welfare Fund		**34,498,996**	-
			125,317,210	56,111,006
			125,331,557	78,436,455

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
41	**FINANCE COST**			
	Mark-up/profit on borrowings:			
	redeemable capital		**71,990,558**	98,315,377
	long term borrowings		**54,060,443**	54,208,557
	short term borrowings		**347,413,421**	402,120,760
			473,464,422	554,644,694
	Interest on lease liabilities		**11,780**	137,607
	Amortization of transaction cost	*10.8*	**32,872,454**	20,969,955
	Bank charges and commission		**624,927,496**	515,687,202
			1,131,276,152	1,091,439,458

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees
42	**PROVISION FOR LEVIES**			
	Levies under Income Tax Ordinance, 2001			
	Current year	*42.1*	**507,711,734**	476,791,083
	Prior year		**-**	(13,583,110)
			507,711,734	463,207,973

42.1 Levies under Income Tax Ordinance, 2001 ['the Ordinance'] have been recognized under section 5 and 113 (30-Jun-24: section 4C, 5 and 154) of the Ordinance.

		Note	30-Jun-25 Rupees	30-Jun-24 Rupees [restated]
43	**PROVISION FOR INCOME TAXES**			
	Current taxation			
	for current year	*43.1*	**121,926,047**	98,610,122
	for prior years		**(7,585,393)**	(25,284,646)
			114,340,654	73,325,476
	Deferred taxation			
	attributable to origination and reversal of temporary differences		**318,341,256**	-
	attributable to changes in tax rates		**(189,440,368)**	(42,643,739)
			128,900,888	(42,643,739)
			243,241,542	30,681,737

43.1 Provision for current taxation has been recognized under section 4C, 18 and 37A (30-Jun-24: section 4C and 18) of the Income Tax Ordinance, 2001 ['the Ordinance'].

43.2 The income tax assessments of the Company up to and including tax year 2024 have been completed by the concerned income tax authorities or are deemed to have been so completed under the provisions of section 120 of the Ordinance.

43.3 Estimated liability payable with return of income to be filed under section 114 of the Income Tax Ordinance 2001, subject to adjustment of taxes and levies paid/deducted in advance and available refunds, comprises the following:

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
Levies under Income Tax Ordinance, 2001	42	**507,711,734**	476,791,083
Income taxes		**121,926,047**	98,610,122
		629,637,781	575,401,205

43.4 Reconciliation between average effective tax rate and applicable tax rate for the year is as follows:

	Unit	30-Jun-25	30-Jun-24
Profit before income taxes	Rupees	**945,044,396**	706,001,610
Provision for income taxes	Rupees	**243,241,542**	30,681,737
Average effective tax rate	%	**25.74**	4.35
Tax effects of:			
Adjustments for prior years	%	**0.80**	4
Provision for deferred taxation	%	**(13.64)**	6.04
Provision for statutory levies	%	**(5.38)**	(25.59)
Income chargeable to tax at different rates	%	**0.01**	50.59
Income not chargeable to tax	%	**0.27**	0.03
Inadmissible deductions and other adjustments	%	**(16.76)**	-
Admissible deductions	%	**18.98**	-
Applicable tax rate	%	**10.02**	39.00

44 INCOME TAXES RECOGNIZED IN OTHER COMPREHENSIVE INCOME

	30-Jun-25		
	Origination and reversal of temporary differences ***Rupees***	**Changes in tax rates** ***Rupees***	**Total** ***Rupees***
Current taxation	**-**	**-**	**-**
	-	**-**	**-**
Deferred taxation			
Remeasurements of defined benefit obligation	**(5,595,308)**	**-**	**(5,595,308)**
Revaluation reserve	**-**	**(348,343,406)**	**(348,343,406)**
	(5,595,308)	**(348,343,406)**	**(353,938,714)**
	(5,595,308)	**(348,343,406)**	**(353,938,714)**

	30-Jun-24		
	Origination and reversal of temporary differences *Rupees*	Changes in tax rates *Rupees*	Total *Rupees*
Current taxation	-	-	-
	-	-	-
Deferred taxation			
Remeasurements of defined benefit obligation	(10,932,813)	-	(10,932,813)
Revaluation reserve	117,609,145	457,173,296	574,782,441
	106,676,332	457,173,296	563,849,628
	106,676,332	457,173,296	563,849,628

45 BASIC EARNINGS PER SHARE

	Unit	30-Jun-25 Rupees	30-Jun-24 Rupees
Earnings			
Profit attributable to ordinary shareholders	*Rupees*	**701,802,854**	675,319,873
Shares			
Weighted average number of ordinary shares outstanding	*No. of shares*	**491,375,337**	491,375,337
Basic earnings per share	*Rupees*	**1.43**	1.37

46 CASH AND CASH EQUIVALENTS

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
Cash and bank balances	*34*	**1,252,026,862**	910,552,389
Funds for restructuring scheme	*33*	**892,167,454**	842,684,023
Short term borrowings - *book overdraft*	*17*	**(366,271,633)**	(8,093,584)
		1,777,922,683	1,745,142,828

47 CASH GENERATED FROM OPERATIONS

	30-Jun-25 Rupees	30-Jun-24 Rupees
Profit before income taxes	**945,044,396**	706,001,610
Adjustments for non-cash and other items:		
Interest on borrowings	**473,452,642**	554,644,694
Interest on lease liabilities	**11,780**	137,607
Foreign exchange (gain)/loss - *unrealized*	**(24,843,471)**	22,325,449
Gain on disposal of short term investment	**(793,907)**	-
Dividend income	**(56,058,669)**	(90,270,295)
Changes in fair value of short term investments	**14,347**	-
Gain on disposal of property, plant and equipment	**(872,182)**	(628,157)
Depreciation on property, plant and equipment	**846,540,402**	791,831,586
Provision for Workers' Profit Participation Fund	**90,818,214**	56,111,006
Impairment (reversal)/allowance for expected credit losses	**(53,858,821)**	8,093,676
Provision for employees retirement benefits	**403,004,230**	329,372,757
Amortization of transaction costs	**32,872,483**	20,969,955
Notional interest expense	**317,318,568**	166,087,897
Provision for levies	**507,711,734**	463,207,973
	2,535,317,350	2,321,884,148
	3,480,361,746	3,027,885,758

	30-Jun-25	30-Jun-24
	Rupees	*Rupees*
Changes in working capital		
Long term deposits	**(123,439,998)**	556,600
Stores, spares and loose tools	**(129,318,180)**	(30,478,912)
Stock in trade	**1,899,213,923**	(2,662,216,930)
Trade receivables	**389,736,615**	2,289,527,066
Deposits and prepayments	**(389,461,978)**	(27,487,293)
Advances and other receivables	**102,127,377**	(476,774,320)
Tax refunds due from government	**(426,107,360)**	(226,460,982)
Trade and other payables	**(873,074,089)**	357,588,769
	449,676,310	(775,746,002)
Cash generated from operations	**3,930,038,056**	2,252,139,756

48 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	30-Jun-25			
	Redeemable capital *Rupees*	**Long term borrowings** *Rupees*	**Lease liabilities** *Rupees*	**Short term borrowings** *Rupees*
As at beginning of the year	**6,760,750,821**	**1,081,208,932**	**773,955**	**2,197,326,332**
Obtained during the year	**-**	**-**	**-**	**122,790,695**
Interest on lease liabilities	**-**	**-**	**11,780**	**-**
Repaid during the year	**(509,563,629)**	**-**	**(229,735)**	**-**
Adjusted against security deposits	**-**	**-**	**(556,000)**	**-**
As at end of the year	**6,251,187,192**	**1,081,208,932**	**-**	**2,320,117,027**

	30-Jun-24			
	Redeemable capital *Rupees*	Long term borrowings *Rupees*	Lease liabilities *Rupees*	Short term borrowings *Rupees*
As at beginning of the year	7,228,277,421	1,081,208,932	1,323,720	1,726,869,001
Obtained during the year	-	-	-	470,457,331
Interest on lease liabilities	-	-	137,607	-
Repaid during the year	(467,526,600)	-	(687,372)	-
Adjusted against security deposits	-	-	-	-
As at end of the year	6,760,750,821	1,081,208,932	773,955	2,197,326,332

49 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The details of the Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date, are as follows:

Name of related party	**Nature and basis of relationship**
Jahangir Siddiqui and Company Limited ['JSCL']	Significant shareholder [Beneficial shareholding of 20% or more] *(JSCL holds and controls 121,158,363 ordinary shares in the Company)*
JSCL's associated entities	Other related parties [Associated companies of significant shareholder]
Mr. Zahid Mahmood	Key Management Personnel [Chairman]
Mr. Ahmed Humayun Shiekh	Key Management Personnel [Chief Executive]
Mr. Abid Hussain	Key Management Personnel [Director]
Mr. Ihsan Ahmad	Key Management Personnel [Director]
Ms. Maliha Sarda Azam	Key Management Personnel [Director]
Mr. Nasir Ali Khan Bhatti	Key Management Personnel [Director]
Mr. Syed Hassan Akbar Kazmi	Key Management Personnel [Director]
Mr. Usman Rasheed	Key Management Personnel [Director]

The Company continues to have a policy whereby all transactions with related parties entered into in the ordinary course of business are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction with the exceptions as approved by the Board of Directors. Detail of transactions with related parties during the reporting period and balances with them as at the reporting date are as follows:

		30-Jun-25	30-Jun-24
		Rupees	*Rupees*
49.1	**Transactions with related parties**		
49.1.1	**Key Management Personnel**		
	Short term employee benefits	**41,999,999**	39,262,500
	Bonus	**28,354,655**	-
	Meeting fee	**3,120,000**	5,180,000
	Post employment benefits	**2,692,307**	2,333,333
49.1.2	**Other related parties**		
	JS Bank Limited		
	Mark-up expense	**4,090,334**	9,072,940
	Mark-up paid/settled	**883,726**	12,681,202
	Fee paid to trustee	**1,500,000**	1,500,000
	Return on bank deposits	**20,085,524**	38,388,768
	Unit Trust of Pakistan		
	Mark-up expense	**1,161,292**	1,402,492
	Mark-up paid/settled	**861,182**	1,101,447
	JS Large Cap Fund		
	Mark-up expense	**3,091,551**	3,739,788
	Mark-up paid/settled	**2,314,760**	2,960,567
	JS Global Capital Limited		
	Mark-up expense	**12,136,316**	14,681,060
	Mark-up paid/settled	**9,086,914**	11,622,118
	JS Principal Secure Fund		
	Mark-up expense	**1,244,651**	1,505,629
	Mark-up paid/settled	**931,916**	1,191,917
	JS Income Fund		
	Mark-up expense	**1,428,801**	1,725,554
	Mark-up paid/settled	**1,059,525**	1,355,128
	JS Growth Fund		
	Mark-up expense	**3,686,199**	4,456,532
	Mark-up paid/settled	**2,750,625**	3,518,036
49.2	**Balances with related parties**		
49.2.1	**Key Management Personnel**		
	Short term employee benefits payable	**3,500,000**	3,500,000
	Bonus payable	**28,354,655**	-
	Post employment benefits payable	**26,923,076**	24,230,769

	30-Jun-25 *Rupees*	30-Jun-24 *Rupees*
49.2.2 Other related parties		
JS Bank Limited		
Settlement finance	**13,870,315**	13,870,315
Short term borrowings	**112,000,000**	-
Mark-up payable	**5,408,758**	2,202,150
Bank balances	**458,750,036**	549,253,273
Unit Trust of Pakistan		
Settlement finance	**6,822,073**	6,822,073
Redeemable capital	**63,735,000**	68,485,000
Mark-up payable	**1,547,204**	1,247,094
JS Large Cap Fund		
Settlement finance	**17,739,525**	17,739,525
Redeemable capital	**98,047,415**	110,814,886
Mark-up payable	**4,033,985**	3,257,193

	30-Jun-25 *Rupees*	30-Jun-24 *Rupees*
JS Global Capital Limited		
Settlement finance	**69,638,980**	69,638,980
Redeemable capital	**384,906,474**	435,026,966
Mark-up payable	**15,835,970**	12,786,567
JS Principal Secure Fund		
Settlement finance	**7,141,887**	7,141,887
Redeemable capital	**39,470,453**	44,610,604
Mark-up payable	**1,624,072**	1,311,338
JS Pension Savings Fund		
Redeemable capital	**3,850,000**	3,850,000
JS Income Fund		
Settlement finance	**8,394,214**	8,394,214
Redeemable capital	**79,572,000**	85,416,000
Mark-up payable	**1,903,739**	1,534,463
JS Growth Fund		
Settlement finance	**21,330,137**	21,330,137
Redeemable capital	**152,594,685**	167,766,247
Mark-up payable	**4,845,829**	3,910,255

50 CONTRACTS WITH CUSTOMERS

50.1 Disaggregation of revenue

Revenue from all contracts with customers is recognized at a point in time when perfromance obligations are satisfied. Information on disaggregation of revenue by operating segment and geographical origin is presented in note 55.

50.2 Contract balances

There are no contract assets as at the reporting date. The information about receivables and contract liabilities arising from contracts with customers is as follows:

Nature of balance	Presented in financial statements as	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
Receivables	Trade receivables	27	**3,859,253,072**	4,229,804,959
Contract liabilities	Advances from customers	16	**91,721,847**	113,353,052

50.2.1 Changes in contract assets and liabilities

There are no contract assets as at the reporting date. Significant changes in contract liabilities during the year are as follows:

	30-Jun-25	30-Jun-24
As at beginning of the year	**113,353,052**	123,516,148
Revenue recognized against contract liability as at beginning of the year	**(113,353,052)**	(123,516,148)
Net increase due to cash received in excess of revenue recognized	**91,721,847**	113,353,052
As at end of the year	**91,721,847**	113,353,052

50.3 Impairment losses

The Company during the year has recognized Rs. 1.60 million (30-Jun-24: Rs. 1.10 million) as impairment loss for expected credit losses on receivables (trade receivables) arising from the Company's contracts with customers.

51 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
51.1 Financial assets			
Cash in hand	34	**6,049,867**	4,996,884
Financial assets at amortized cost			
Long term deposits	25	**163,264,370**	40,380,372
Trade receivables	27	**3,859,253,072**	4,229,804,959
Receivable against sale of spinning unit	28	**706,412,075**	713,716,646
Security deposits	29	**15,655,055**	52,870,845
Margin deposits	29	**471,987,693**	45,309,925
Advances to employees	30	**51,224,955**	31,125,193
Insurance claims	30	**7,670,889**	-
Receivable under novation agreement	30	**33,000,000**	33,000,000
Dividend receivable	30	**-**	-
Funds for restructuring scheme	33	**892,167,454**	842,684,023
Bank balances	34	**1,245,976,995**	905,555,505
		7,446,612,558	6,894,447,468
Financial assets classified at fair value through OCI			
Investment in debt securities	24	**262,387,853**	151,464,788
		262,387,853	151,464,788
		7,715,050,278	7,050,909,140

51.2 Financial liabilities	Note	30-Jun-25 Rupees	30-Jun-24 Rupees
Financial liabilities at amortized cost			
Redeemable capital	10	**4,218,458,764**	4,457,503,450
Long term borrowings	11	**1,081,208,932**	1,081,208,932
Lease liabilities	12	**-**	773,955
Deferred interest	14	**117,222,196**	96,296,883
Trade creditors	16	**2,267,799,524**	3,215,967,672
Accrued liabilities	16	**1,127,661,200**	1,011,460,669
Unclaimed dividend on ordinary shares		**3,753,252**	3,753,252
Short term borrowings	17	**2,686,388,660**	2,205,419,916
Accrued mark-up/profit on borrowings	18	**205,014,237**	201,801,459
		11,707,506,765	12,274,186,188

52 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and control and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board reviews and agrees policies for managing each of these risks.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The management team of the Company is responsible for administering the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

52.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

52.1.1 Credit risk management practices

In order to minimize credit risk, the Company has adopted a policy of only dealing with creditworthy counterparties and limiting significant exposure to any single counterparty. The Company only transacts with counterparties that have reasonably high external credit ratings. Where an external rating is not available, the Company uses an internal credit risk grading mechanism. Particularly for customers, a dedicated team responsible for the determination of credit limits uses a credit scoring system to assess the potential as well as existing customers' credit quality and assigns or updates credit limits accordingly. The ageing profile of trade receivables and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis or confirmed letters of credit.

The Company reviews the recoverable amount of each financial asset on an individual basis at each reporting date to ensure that adequate loss allowance is made in accordance with the assessment of credit risk for each financial asset.

The Company considers a financial asset to have low credit risk when the asset has reasonably high external credit rating or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has no past due amounts or otherwise there is no significant increase in credit risk if the amounts are past due in the normal course of business based on history with the counterparty.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. This is usually the case with various customers of the Company where the Company has long standing business relationship with these customers and any amounts that are past due by more than 30 days in the normal course of business are considered 'performing' based on history with the customers. Therefore despite the foregoing, the Company considers some past due trade receivables to have low credit risk where the customer has a good history of meeting its contractual cash flow obligations and is expected to maintain the same in future.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk.

The Company considers 'default' to have occurred when the financial asset is credit-impaired. A financial asset is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery.

The Company's credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognizing ECL**
Performing	The counterparty has low credit risk	Trade receivables: Lifetime ECL
		Other assets: 12-month ECL
Doubtful	Credit risk has increased significantly since initial recognition	Lifetime ECL
In-default	There is evidence indicating the asset is credit-impaired	Lifetime ECL
Write-off	There is no realistic prospect of recovery	Amount is written-off

52.1.2 Exposure to credit risk

Credit risk principally arises from debt instruments held by the Company as at the reporting date. The maximum exposure to credit risk as at the reporting date is as follows:

	Note	**30-Jun-25** ***Rupees***	30-Jun-24 *Rupees*
Financial assets at amortized cost			
Long term deposits	*25*	**163,264,370**	40,380,372
Trade receivables	*27*	**4,354,656,752**	4,723,606,789
Receivable against sale of spinning unit	*28*	**706,412,075**	713,716,646
Security deposits	*29*	**15,655,055**	52,870,845
Margin deposits	*29*	**471,987,693**	45,309,925
Advances to employees	*30*	**51,224,955**	31,125,193
Insurance claims	*30*	**7,670,889**	-
Receivable under novation agreement	*30*	**33,000,000**	33,000,000
Dividend receivable	*30*	**397,482,225**	342,019,831
Funds for restructuring scheme	*33*	**892,167,454**	842,684,023
Bank balances	*34*	**1,245,976,995**	905,555,505
		8,339,498,463	7,730,269,129
Financial assets classified at fair value through OCI			
Investment in debt securities	*24*	**262,387,853**	262,387,853
		262,387,853	262,387,853
		8,601,886,316	7,992,656,982

52.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to internal credit risk grading. The credit quality of the Company's financial assets exposed to credit risk is as follows:

	30-Jun-25			
	Credit rating / risk grading	**12-month or life-time ECL**	**Gross carrying amount**	**Loss allowance**
			Rupees	***Rupees***
Long term deposits	**Performing**	**12-month ECL**	**163,264,370**	**-**
Trade receivables	**Performing**	**Lifetime ECL**	**3,859,253,072**	**-**
	In-default	**Lifetime ECL**	**495,403,680**	**495,403,680**
			4,354,656,752	**495,403,680**
Receivable against sale of spinning unit	**Performing**	**12-month ECL**	**706,412,075**	**-**
Security deposits	**Performing**	**12-month ECL**	**15,655,055**	**-**
Margin deposits	**Performing**	**12-month ECL**	**471,987,693**	**-**
Advances to employees	**Performing**	**12-month ECL**	**51,224,955**	**-**
Insurance claims	**AA++**	**12-month ECL**	**7,670,889**	**-**
Receivable under novation agreement	**A1+**	**12-month ECL**	**33,000,000**	**-**
Dividend receivable	**Doubtful**	**12-month ECL**	**397,482,225**	**397,482,225**
Funds for restructuring scheme	**Performing**	**12-month ECL**	**892,167,454**	**-**
Bank balances	**A1 - A1+**	**12-month ECL**	**1,245,976,995**	**-**
Investment in debt securities	**Performing**	**12-month ECL**	**262,387,853**	**-**
			8,601,886,316	**892,885,905**

	30-Jun-24			
	Credit rating / risk grading	12-month or life-time ECL	Gross carrying amount	Loss allowance
			Rupees	*Rupees*
Long term deposits	Performing	12-month ECL	40,380,372	-
Trade receivables	Performing	Lifetime ECL	4,229,804,959	-
	In-default	Lifetime ECL	493,801,830	493,801,830
			4,723,606,789	493,801,830
Receivable against sale of spinning unit	Performing	12-month ECL	713,716,646	-
Security deposits	Performing	12-month ECL	52,870,845	-
Margin deposits	Performing	12-month ECL	45,309,925	-
Advances to employees	Performing	12-month ECL	31,125,193	-
Insurance claims	AA++	12-month ECL	-	-
Receivable under novation agreement	A1+	12-month ECL	33,000,000	-
Dividend receivable	Doubtful	12-month ECL	342,019,831	342,019,831
Funds for restructuring scheme	Performing	12-month ECL	842,684,023	-
Bank balances	A1 - A1+	12-month ECL	905,555,505	-
Investment in debt securities	Doubtful	12-month ECL	262,387,853	110,923,065
			7,992,656,982	946,744,726

(a) Long term deposits

Long term deposits comprise security deposits placed with various utility companies and regulatory authorities. These deposits are substantially perpetual in nature. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(b) Trade receivables

For trade receivables, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on trade receivables by using internal credit risk gradings. As at the reporting date, all trade receivables are considered 'performing' as there is no significant increase in credit risk in respect of these receivables since initial recognition, except for trade receivables amounting to Rs. 495.40 million (30-Jun-24: Rs. 493.80 million which are considered doubtful. The ageing analysis of trade receivables as at the reporting date is as follows:

	30-Jun-25			
	Internal risk grading	**Average loss rate %**	**Gross amount due *Rupees***	**Accumulated impairment *Rupees***
Not yet due	**Performing**	**0.00**	**3,673,627,120**	**-**
Past due by up to six months	**Performing**	**0.00**	**179,170,379**	**-**
Past due by six months to one year	**Performing**	**0.00**	**1,589,806**	**-**
Past due by more than one year	**Doubtful/In-default**	**99.03**	**500,269,447**	**495,403,680**
			4,354,656,752	**495,403,680**

	30-Jun-24			
	Internal risk grading	Average loss rate %	Gross amount due *Rupees*	Accumulated impairment *Rupees*
Not yet due	Performing	0.00	4,010,732,468	-
Past due by up to six months	Performing	0.00	208,865,148	-
Past due by six months to one year	Performing	0.00	8,963,142	-
Past due by more than one year	Doubtful/In-default	99.75	495,046,031	493,801,830
			4,723,606,789	493,801,830

(c) Receivable against sale of spinning unit

These are recoverable against sale of Muzaffargarh unit. The agent banks are actively pursuing the recovery of this receivable. The full amount is expected to be received in the near future. No credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made, because the title of land and building is in the name of the Company while original property documents are with the agent bank.

(d) Security deposits

These represent security deposits against short term leases. All premises are in possession of the Company. No credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made.

(e) Margin deposits

These are placed with a financial institution. Due to long standing business relationship with this financial institution and considering its strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made.

(f) Advances to employees

Advances to employees have been given against future salaries and post-employment benefits. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(g) Insurance claims

These are recoverable from insurance company with reasonably high credit rating as determined by independent credit rating agency. Due to long standing business relationships with this counterparty and considering its strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made.

(h) Receivable under novation agreement

These are recoverable from a banking company with reasonably high credit rating as determined by independent credit rating agency. Due to long standing business relationships with this counterparty and considering its strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made.

(i) Dividend receivable

Dividend receivable is considered credit-impaired as chances of recovery thereof is considered remote. Accordingly, impairment allowance equal to the gross carrying amount of dividend receivable has been made.

(j) Funds for restructuring scheme

These are placed with a financial institution. Due to long standing business relationship with this financial institution and considering its strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made.

(k) Bank balances

The bankers of the Company have reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(l) Investment in debt securities

The management expects to recover the carrying amount of this investment in full. Therefore, no credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made.

52.1.4 Concentrations of credit risk

The Company's maximum exposure to credit risk, as at the reporting date, by type of counter-party is as follows:

	30-Jun-25	30-Jun-24
	Rupees	*Rupees*
Customers	**4,354,656,752**	4,723,606,789
Banking companies and financial institutions	**2,650,803,031**	1,826,549,453
Utility companies and regulatory authorities	**178,919,425**	93,251,217
Others	**1,417,507,108**	1,349,249,523
	8,601,886,316	7,992,656,982

The Company's four (30-Jun-24: three) significant customers account for Rs. 1,879.75 million (30-Jun-24: Rs. 1,762.36 million) of trade receivables as at the reporting date, apart from which, exposure to any single customer does not exceed 10% of trade receivables as at the reporting date. Impairment allowance recognized against amounts due from these significant customers amounts to Rs. 452.53 million (30-Jun-24: Rs.452.53 million).

52.1.5 Collateral held

The Company does not hold any collateral to secure its financial assets with the exception of trade receivables, which are partially secured through letters of credit and investment in debt securities which are secured by charge over issuer's operating assets.

52.1.6 Changes in impairment allowance for expected credit losses

The changes in impairment allowance for expected credit losses are as follows:

	Note	**30-Jun-25**	30-Jun-24
		Rupees	*Rupees*
As at beginning of the year		**946,744,726**	876,831,899
Impairment loss:			
recognized during the year	*52.1.6(a)*	**57,064,244**	72,462,229
reversed during the year	*52.1.6(b)*	**(110,923,065)**	(2,549,402)
Net change in impairment allowance		**(53,858,821)**	69,912,827
As at end of the year		**892,885,905**	946,744,726

	30-Jun-25	30-Jun-24
(a) Impairment loss recognized during the year	***Rupees***	*Rupees*
Trade receivables	**1,601,850**	1,100,107
Dividend receivable	**55,462,394**	71,362,122
	57,064,244	72,462,229
(b) Impairment loss reversed during the year		
Investment in debts securities	**110,923,065**	2,549,402
	110,923,065	2,549,402

52.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

52.2.1 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management of the Company closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers. Details of undrawn facilities that the Company has at its disposal to further reduce liquidity risk are referred to in note 17.4. There were no changes in the Company's approach to liquidity risk management during the year.

52.2.2 Financial restructuring and settlement with preference shareholders

The creditor's scheme of arrangement approved by the Honourable Lahore High Court vide order dated 31 July 2019 was finalized on 29 April 2021 whereby overdue debt finances and related financial liabilities were restructured. This financial restructuring has significantly reduced debt burden and related finance cost of the Company. See notes 10.1, 10.2, 10.3, 10.4, 10.6, 10.7, 11, 28, 31.2 and 33.

The settlement plan for the outstanding preference shares was approved by the preference shareholders in their meeting dated 18 January 2024. The Company is complying with the payment plan in accordance with timelines agreed with the preference shareholders. Nothing is overdue as at reporting date in this regard. See notes 10.5 and 14.

52.2.3 Exposure to liquidity risk

The following is the analysis of contractual maturities of financial liabilities, including estimated interest payments.

	30-Jun-25				
	Carrying amount *Rupees*	**Contractual cash flows** *Rupees*	**One year or less** *Rupees*	**Two to three years** *Rupees*	**More than three years** *Rupees*
Redeemable capital	**4,218,458,764**	**6,341,703,944**	**502,167,591**	**868,316,353**	**4,971,220,000**
Long term borrowings	**1,081,208,932**	**1,248,512,637**	**1,248,512,637**	**-**	**-**
Lease liabilities	**-**	**-**	**-**	**-**	**-**
Deferred interest	**117,222,196**	**179,908,008**	**29,984,668**	**119,938,672**	**29,984,668**
Trade creditors	**2,267,799,524**	**2,267,799,524**	**2,267,799,524**	**-**	**-**
Accrued liabilities	**1,127,661,200**	**1,127,661,200**	**1,127,661,200**	**-**	**-**
Dividend payable	**3,753,252**	**3,753,252**	**3,753,252**	**-**	**-**
Short term borrowings	**2,686,388,660**	**2,703,917,858**	**2,703,917,858**	**-**	**-**
Accrued mark-up/profit on borrowings	**205,014,237**	**205,014,237**	**205,014,237**	**-**	**-**
	11,707,506,765	**14,078,270,660**	**8,088,810,967**	**988,255,025**	**5,001,204,668**

	30-Jun-24				
	Carrying amount *Rupees*	Contractual cash flows *Rupees*	One year or less *Rupees*	Two to three years *Rupees*	More than three years *Rupees*
Redeemable capital	4,457,503,450	7,110,735,090	571,527,874	1,058,948,103	5,480,259,113
Long term borrowings	1,081,208,932	1,212,138,890	1,212,138,890	-	-
Lease liabilities	773,955	773,955	773,955	-	-
Deferred interest	96,296,883	179,908,008	-	89,954,004	89,954,004
Trade creditors	3,215,967,672	3,215,967,672	3,215,967,672	-	-
Accrued liabilities	1,011,460,669	1,011,460,669	1,011,460,669	-	-
Dividend payable	3,753,252	3,753,252	3,753,252	-	-
Short term borrowings	2,205,419,916	2,271,919,696	2,271,919,696	-	-
Accrued mark-up/profit on borrowings	201,801,459	201,801,459	201,801,459	-	-
	12,274,186,188	15,208,458,691	8,489,343,467	1,148,902,107	5,570,213,117

52.3 Market risk

52.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency.

(a) Currency risk management

The Company manages its exposure to currency risk through continuous monitoring of expected/forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly basis, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities/payments to assets/receipts, using source inputs in foreign currency. The Company maintains foreign currency working capital lines in order to finance production of exportable goods. Proceeds from exports are used to repay/settle/rollover the Company's obligations under these working capital lines which substantially reduces exposure to currency risk in respect of such liabilities. Balances in foreign currency are also maintained in current and saving/deposits accounts with banking companies.

(b) Exposure to currency risk

The Company's exposure to currency risk as at the reporting date is as follows:

	30-Jun-25				
	EURO ***Rupees***	**USD** ***Rupees***	**AED** ***Rupees***	**CNY** ***Rupees***	**Total** ***Rupees***
Financial assets					
Trade receivables	**807,791,031**	**2,524,939,009**	**23,501,678**	**51,756,237**	**3,407,987,955**
Cash at banks	**11,965,705**	**126,302,658**	**-**	**-**	**138,268,363**
	819,756,736	**2,651,241,667**	**23,501,678**	**51,756,237**	**3,546,256,318**
Financial liabilities					
Trade creditors	**(107,494,924)**	**(53,731,513)**	**-**	**-**	**(161,226,437)**
Bills payable	**-**	**(2,437,800)**	**-**	**-**	**(2,437,800)**
	(107,494,924)	**(56,169,313)**	**-**	**-**	**(163,664,237)**
	712,261,812	**2,595,072,354**	**23,501,678**	**51,756,237**	**3,382,592,081**
Commitments	**(147,651,901)**	**(397,448,917)**	**-**	**-**	**(545,100,818)**
Net exposure	**564,609,911**	**2,197,623,437**	**23,501,678**	**51,756,237**	**2,837,491,263**

	30-Jun-24				
	EURO *Rupees*	USD *Rupees*	AED *Rupees*	CNY *Rupees*	Total *Rupees*
Financial assets					
Trade receivables	492,683,594	3,371,263,905	55,071,969	-	3,919,019,468
Cash at banks	14,565,179	133,973,144	-	-	148,538,323
	507,248,773	3,505,237,049	55,071,969	-	4,067,557,791
Financial liabilities					
Trade creditors	(2,750,456)	(24,577,017)	-	-	(27,327,473)
Bills payable	-	(7,899,196)	-	-	(7,899,196)
	(2,750,456)	(32,476,213)	-	-	(35,226,669)
	504,498,317	3,472,760,836	55,071,969	-	4,032,331,122
Commitments	(172,681,036)	(62,569,076)	-	-	(235,250,112)
Net exposure	331,817,281	3,410,191,760	55,071,969	-	3,797,081,010

(c) Sensitivity analysis

A five percent appreciation in Pak Rupee against foreign currencies would have increased profit for the year and equity as at the reporting date by Rs. 338.26 million (30-Jun-24: Rs. 403.23 million). A five percent depreciation in Pak Rupee would have had an equal but opposite effect on profit for the year and equity. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact, if any, on provision for levies and income taxes for the year. There were no changes in the methods and assumptions used in preparing the sensitivity analysis.

52.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

(a) Interest rate risk management

The Company manages interest rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points. There were no changes in Company's approach to interest rate risk management during the year.

(b) Exposure to interest rate risk

The effective interest rates for interest bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest bearing financial instruments as at the reporting date are as follows:

	30-Jun-25 ***Rupees***	30-Jun-24 *Rupees*
Fixed rate instruments		
Financial assets	**-**	-
Financial liabilities	**7,295,455,293**	7,731,137,215
Variable rate instruments		
Financial assets	**1,885,188,693**	1,485,412,527
Financial liabilities	**2,250,245,565**	2,138,251,091

(c) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through statement of profit or loss. Therefore, a change in profit/mark-up/interest rates at the reporting date would not affect profit or loss.

(d) Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year and equity as at the reporting date by Rs. 3.65 million (30-Jun-24: Rs. 6.53 million). A decrease of 100 basis points would have had an equal but opposite effect on loss for the year and equity. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

52.3.3 Price risk

Other price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments.

(a) Equity price risk management

The Company is exposed to price risk in respect of its investments in mutual funds, however the same is considered to be insignificant considering the size of investment portfolio.

(b) Sensitivity analysis

A ten percent appreciation in prices of mutual funds units as at reporting date would have increased profit and equity as at the reporting date by Rs. 0.06 million (30-Jun-24: Rs. 1.66 million). A ten percent diminution in prices of mutual funds units as at the reporting date would have had equal but opposite effect on equity and profit for the year. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation and levies for the year.

53 CAPITAL MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders. The Company's objective when managing capital is to safeguard the Company's ability to continue as going concern while providing returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure through debt and equity balance. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue of new shares. Consistent with others in industry, the Company monitors capital on the basis of gearing ratio which is debt divided by total capital employed. Debt comprises of redeemable capital, long term borrowings, lease liabilities, deferred mark-up and current maturity of non-current liabilities. Total capital employed includes total equity plus debt. The gearing ratios as at the reporting date are as follows:

	Unit	**30-Jun-25**	30-Jun-24
Total debt	*Rupees*	**5,576,491,149**	5,769,510,165
Total equity	*Rupees*	**14,804,028,716**	13,804,149,140
Total capital employed	*Rupees*	**20,380,519,865**	19,573,659,305
Gearing ratio	*% age*	**27.36**	29.48

The Company is not subject to externally imposed capital requirements, except those related to maintenance of debt covenants, commonly imposed by the providers of debt finance. There were no changes in the Company's approach to capital management during the year.

54 FAIR VALUE MEASUREMENTS

54.1 Financial instruments

54.1.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

Assets	Hierarchy	Valuation technique and key inputs	**30-Jun-25** *Rupees*	30-Jun-24 *Rupees*
Investment in mutual funds	Level 1	Quoted prices in an active market	**549,287**	16,589,373

54.1.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements of financial instruments as at the reporting date.

54.1.3 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value at the end of each reporting period to approximate their fair values as at the reporting date.

54.2 Assets other than financial instruments

54.2.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

Assets	Hierarchy	Valuation technique and key inputs	**30-Jun-25** **Rupees**	30-Jun-24 Rupees
Freehold land	Level 2	Land is valued using market comparable approach that reflects recent transaction prices for similar properties. Significant inputs include estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition.	**1,573,950,000**	1,573,950,000
Buildings on freehold land	Level 2	Building is valued using cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. Significant inputs include estimated construction costs and other ancillary expenditure.	**2,433,540,301**	2,331,270,000
Plant and machinery	Level 2	Plant and machinery is valued using cost approach that reflects the cost to the market participants to construct or acquire machinery of comparable utility and age, adjusted for obsolescence and depreciation. Significant inputs include estimated construction/acquisition costs and other ancillary expenditure.	**6,091,455,025**	5,766,673,000

54.2.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements of assets other than financial instruments.

55 SEGMENT INFORMATION

An operating segment is a component of an entity:

(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

(b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and

(c) for which discrete financial information is available.

Information about the Company's reportable segments as at the reporting date is as follows:

Segments	Nature of business
Spinning segment	Spinning and sale of yarn
Weaving segment	Weaving and sale of denim fabric
Garment segment	Stitching and sale of denim garment

55.1 Segment revenues and results

	Spinning segment		Weaving segment		Garment segment		Elimination		Total	
	30-Jun-25	30-Jun-24	**30-Jun-25**	30-Jun-24	**30-Jun-25**	30-Jun-24	**30-Jun-25**	30-Jun-24	**30-Jun-25**	30-Jun-24
	Rupees	*Rupees*	***Rupees***	*Rupees*	***Rupees***	*Rupees*	***Rupees***	*Rupees*	***Rupees***	*Rupees*
Revenue										
External	**2,729,066,438**	2,957,602,459	**11,265,029,350**	12,207,887,864	**26,610,917,444**	21,351,685,767	**-**	-	**40,605,013,232**	36,517,176,090
Inter-segment	**632,563,715**	706,182,333	**8,809,593,270**	8,619,159,232	**56,104,134**	944,536	**(9,498,261,119)**	(9,326,286,101)	**-**	-
	3,361,630,153	3,663,784,792	**20,074,622,620**	20,827,047,096	**26,667,021,578**	21,352,630,303	**(9,498,261,119)**	(9,326,286,101)	**40,605,013,232**	36,517,176,090
Cost of sales										
External	**(2,613,118,249)**	(2,802,951,285)	**(8,476,135,253)**	(9,528,942,219)	**(24,535,999,147)**	(19,601,663,556)	**-**	-	**(35,625,252,649)**	(31,933,557,060)
Inter-segment	**(632,563,715)**	(706,182,333)	**(8,809,593,270)**	(8,619,159,232)	**(56,104,134)**	(944,536)	**9,498,261,119**	9,326,286,101	**-**	-
	(3,245,681,964)	(3,509,133,618)	**(17,285,728,523)**	(18,148,101,451)	**(24,592,103,281)**	(19,602,608,092)	**9,498,261,119**	9,326,286,101	**(35,625,252,649)**	(31,933,557,060)
Gross profit	**115,948,189**	154,651,174	**2,788,894,097**	2,678,945,645	**2,074,918,297**	1,750,022,211	**-**	-	**4,979,760,583**	4,583,619,030
Selling and distribution expenses	**(47,171,791)**	(60,418,898)	**(451,865,227)**	(526,008,506)	**(1,351,703,593)**	(1,312,224,511)	**-**	-	**(1,850,740,611)**	(1,898,651,915)
Administrative expenses	**(138,903,505)**	(177,121,151)	**(446,117,656)**	(359,259,428)	**(416,741,884)**	(374,710,093)	**-**	-	**(1,001,763,045)**	(911,090,672)
	(186,075,296)	(237,540,049)	**(897,982,883)**	(885,267,934)	**(1,768,445,477)**	(1,686,934,604)	**-**	-	**(2,852,503,656)**	(2,809,742,587)
(Loss)/profit from operations	**(70,127,107)**	(82,888,875)	**1,890,911,214**	1,793,677,711	**306,472,820**	63,087,607	**-**	-	**2,127,256,927**	1,773,876,443
Adjustments for common items										
Other income									**845,566,660**	801,209,777
Other expenses									**(125,331,557)**	(78,436,455)
Impairment reversal/(allowance) for expected credit losses									**53,858,821**	(69,912,827)
Finance cost									**(1,131,276,152)**	(1,091,439,458)
Notional interest expense									**(317,318,569)**	(166,087,897)
Provision for levies									**(507,711,734)**	(463,207,973)
Provision for income taxes									**(243,241,542)**	(30,681,737)
Profit after income taxes									**701,802,854**	675,319,873

55.2 Segment assets and liabilities

	Spinning segment		Weaving segment		Garment segment		Elimination		Total	
	30-Jun-25	30-Jun-24	**30-Jun-25**	30-Jun-24	**30-Jun-25**	30-Jun-24	**30-Jun-25**	30-Jun-24	**30-Jun-25**	30-Jun-24
	Rupees	*Rupees*	***Rupees***	*Rupees*	***Rupees***	*Rupees*	***Rupees***	*Rupees*	***Rupees***	*Rupees*
Segment assets										
Total assets for reportable segments	**2,932,686,896**	2,764,789,341	**12,300,532,609**	12,032,389,720	**12,519,378,281**	13,628,808,787	**(1,959,533,518)**	(2,257,330,066)	**25,793,064,268**	26,168,657,782
Property, plant and equipment	**-**	-	**-**	-	**-**	-	**-**	-	**2,275,348,108**	1,328,223,524
Long term investments	**-**	-	**-**	-	**-**	-	**-**	-	**124,333,580**	13,410,515
Short term investments	**-**	-	**-**	-	**-**	-	**-**	-	**138,603,560**	154,643,646
Funds for restructuring scheme	**-**	-	**-**	-	**-**	-	**-**	-	**892,167,454**	842,684,023
	2,932,686,896	2,764,789,341	**12,300,532,609**	12,032,389,720	**12,519,378,281**	13,628,808,787	**(1,959,533,518)**	(2,257,330,066)	**29,223,516,970**	28,507,619,490
Segment liabilities										
Total liabilities for reportable segments	**682,167,787**	562,733,186	**2,665,506,937**	3,066,668,705	**4,430,426,769**	4,926,918,950	**(1,672,290,023)**	(2,257,330,066)	**6,105,811,470**	6,298,990,775
Corporate liabilities - common	**-**	-	**-**	-	**-**	-	**-**	-	**8,313,676,784**	8,404,479,575
	682,167,787	562,733,186	**2,665,506,937**	3,066,668,705	**4,430,426,769**	4,926,918,950	**(1,672,290,023)**	(2,257,330,066)	**14,419,488,254**	14,703,470,350

55.3 Inter-segment sales and purchases

Inter-segment sales and purchases, which are priced at negotiated rates, have been eliminated from company totals.

55.4 Geographical information

The segments of the Company are managed on a worldwide basis, but manufacturing facilities and sales offices are operated in Pakistan. In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	30-Jun-25	30-Jun-24
	Rupees	*Rupees*
55.4.1 Segment revenue		
Foreign revenue		
Asia	**1,576,376,476**	2,613,196,083
Europe	**26,940,919,718**	23,313,642,671
South America	**-**	3,229,502
North America	**734,458,924**	1,090,921,388
Africa	**-**	16,737,204
Indirect exports	**9,187,072,012**	7,434,107,975
	38,438,827,130	34,471,834,823
Local revenue		
Pakistan	**2,166,186,102**	2,045,341,267
	2,166,186,102	2,045,341,267
	40,605,013,232	36,517,176,090
55.4.2 Non-current assets		
Pakistan	**12,380,638,092**	11,023,236,103
	12,380,638,092	11,023,236,103

		30-Jun-25	30-Jun-24
		Rupees	*Rupees*
56	**MORTGAGES AND CHARGES**		
	First		
	Hypothecation of all present and future assets and properties	**23,809,949,179**	23,809,949,179
	Mortgage over land and building	**23,809,949,179**	23,809,949,179
	Ranking		
	Hypothecation of all present and future assets and properties	**11,666,666,667**	11,666,666,667
	Mortgage over land and building	**11,666,666,667**	11,666,666,667
	Hypothecation of all present and future assets and properties	**750,000,000**	750,000,000
	Mortgage over land and building	**750,000,000**	750,000,000
	Pledge		
	Raw material	**-**	89,803,820
	Finished goods	**185,871,948**	184,812,098
	Investment in debt securities	**-**	124,333,582

57 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

	30-Jun-25		
	Chief Executive	**Directors**	**Executives**
	Rupees	***Rupees***	***Rupees***
Managerial remuneration	**27,999,996**	**-**	**468,964,877**
Medical	**2,799,997**	**-**	**50,154,862**
Utilities and house rent	**11,200,006**	**-**	**47,059,689**
Bonus	**28,354,655**	**-**	**-**
Meeting fee	**-**	**3,120,000**	**-**
Post employment benefits	**2,692,307**	**-**	**188,458,458**
	73,046,961	**3,120,000**	**754,637,886**
Number of persons	**1**	**7**	**186**

	30-Jun-24		
	Chief Executive	Directors	Executives
	Rupees	*Rupees*	*Rupees*
Managerial remuneration	26,174,997	-	363,987,056
Medical	2,617,497	-	36,599,860
Utilities and house rent	10,470,006	-	146,659,314
Bonus	-	-	-
Meeting fee	-	5,180,000	-
Post employment benefits	2,333,333	-	36,674,866
	41,595,833	5,180,000	583,921,096
Number of persons	1	7	164

57.1 Chief executive, directors and certain executives have been provided with free use of the Company's vehicles.

57.2 No remuneration has been paid to non-executive directors, with the exception of meeting fee.

57.3 During the year, a vehicle having net book value of Rs. 888,185 was transferred to an executive employee. See note 23.3.

	30-Jun-25	30-Jun-24
	Rupees	*Rupees*
58 SHAHRIAH DISCLOSURES		
Loans/advances obtained as per Islamic mode	**116,112,000**	154,816,000
Shariah compliant bank deposits/bank balances	**5,853,674**	5,755,243
Profit earned from shariah compliant bank deposits/bank balances	**309,891,334**	238,010,156
Revenue earned from a shariah compliant business segment	**40,605,013,232**	36,517,176,090
Gain/loss or dividend earned from shariah compliant investments	**864,154**	13,625,904
Exchange gain/(loss) earned/(incurred) from actual currency	**77,717,390**	(139,741,478)
Profit paid on Islamic mode of financing	**6,003,244**	8,974,821
Mark-up paid on any conventional loan or advances	**464,236,620**	416,082,423

58.1 Relationship with shariah compliant banks:

Name of Bank	Relationship with Bank
Faysal Bank Limited	Sukuk certificates holder and bank balances
Al Baraka Bank (Pakistan) Limited	Bank Balances
Meezan Bank Limited	Bank balances

59 PLANT CAPACITY AND ACTUAL PRODUCTION

	Unit	30-Jun-25	30-Jun-24
Spinning			
Number of rotors installed	No.	**3,776**	3,552
Annual installed capacity converted into 10s count	Kgs	**13,925,069**	13,099,005
Actual production converted into 10s count	Kgs	**6,689,922**	6,428,205
Weaving			
Number of looms installed	No.	**242**	242
Annual installed capacity converted into 48.5 picks	Meters	**40,037,984**	40,037,984
Actual production converted into 48.5 picks	Meters	**23,281,842**	23,776,176
Garments			
Number of stitching machines installed	No.	**2,696**	2,595
Annual installed capacity	Pcs	**13,134,912**	12,642,840
Actual production	Pcs	**11,616,644**	10,625,572

	30-Jun-25	30-Jun-24
60 NUMBER OF EMPLOYEES		
Total number of employees	**8,310**	8,082
Average number of employees	**8,029**	7,083

61 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

62 CORRECTION OF PRIOR PERIOD ERROR

62.1 Preference shares liability

The outstanding liability relating to these preference shares amounting to Rs. 148.37 together with the associated unpaid dividend and mark-up amounting Rs. 9.41 million and Rs. 180.63 million respectively was restructured and rescheduled under a settlement plan approved by the preference shareholders in their meeting held on 18 January 2024. The restructured liability for preference shares and related mark-up payable on deferred basis are 'financial liabilities' in terms of IAS 32 'Financial Instruments: Presentation' which were classified as 'financial liabilities at amortized cost' by the Company. These liabilities are required to be measured at amortized cost using effective interest method. However, these were carried at historical cost in the statement of financial position. The error has been corrected retrospectively by adjusting the amounts reported for all prior periods presented in these financial statements.

Financial statement line item	Nature of impact	30-Jun-24
		Rupees
Preference shares	Debit	19,489,338
Deferred mark-up	Debit	83,611,125
Notional interest income	Credit	103,100,463
Basic earnings per share	Increase	0.20

62.2 Deferred tax on incremental depreciation

The Company transfers the difference between depreciation based on revalued amounts of property, plant and equipment and that based on original cost of those assets from revaluation surplus to retained earnings every year. However, the transfers were done on gross basis while the amount of deferred taxes included in the carrying of revaluation surplus was erroneously recognized in profit or loss instead of being transferred directly to retained earnings along with the related gross surplus. The error has been corrected retrospectively by adjusting the amounts reported for all prior periods presented in these financial statements.

The adjustment to each prior period presented in these financial statements for each financial statement line item affected and for the basic earnings per share is as follows:

Financial statement line item	Nature of impact	30-Jun-24
		Rupees
Provision for deferred taxation	Credit	42,643,739
Retained earnings	Debit	42,643,739
Basic earnings per share	Increase	0.09

62.3 Dividend on investment in preference shares

The Company holds 26,238,785 preference shares of Rs. 10 each issued by Agritech Limited ['AGL'] on conversion of previously issued Term Finance Certificates held by the Company pursuant to AGL's restructuring scheme sanctioned by the Honorable Lahore High Court effective 31 December 2013. These preference shares provide the Company with preferred right of dividend at one year KIBOR plus 4% per annum on cumulative basis with effect from 31 December 2013. During the year, following the successful completion of legal formalities regarding induction of these preference shares into the central depository system, the Company has recognized dividend accrued upto 30 June 2025 as income and receivable retrospectively.

The adjustment to each prior period presented in these financial statements for each financial statement line item affected and for the basic earnings per share is as follows:

Financial statement line item	Nature of impact	30-Jun-24
		Rupees
Dividend receivable	Debit	254,193,129
Accumulated impairment on dividend receivable	Credit	254,193,129
Impairment allowance for expected credit losses	Debit	61,819,153
Dividend income	Credit	61,819,153
Basic earnings per share	No impact	-

63 RECLASSIFICATIONS

The following have been reclassified for better presentation.

	30-Jun-25	30-Jun-24
	Rupees	*Rupees*
Zero coupon privately placed term finance certificates	**3,151,624,696**	2,914,312,783
Reclassified from face of Statement of Financial Position		
Reclassified to Redeemable capital >..		
> Zero coupon privately placed term finance certificates		

	30-Jun-25	30-Jun-24
	Rupees	*Rupees*
Redeemable preference shares	**36,940,831**	110,822,538
Reclassified from face of Statement of Financial Position		
Reclassified to Redeemable capital > Redeemable preference shares		
Employees retirement benefits	**1,265,980,758**	978,693,584
Reclassified from Deferred liabilities > Employees retirement benefits		
Reclassified to face of Statement of Financial Position		
Deferred mark-up	**179,908,008**	179,908,008
Reclassified from Redeemable preference shares		
Reclassified to face of Statement of Financial Position		
Deferred taxation	**296,168,063**	521,205,889
Reclassified from Deferred liabilities > Deferred taxation		
Reclassified to face of Statement of Financial Position		
Advances from customers	**91,721,847**	113,353,052
Reclassified from face of Statement of Financial Position		
Reclassified to Trade and other payables > Advances from customers		
Sales tax payable	**3,341,291**	1,496,556
Reclassified from Advances and other receivables		
Reclassified to Trade and other payables > Sales tax payable		
Prepaid levies	**874,626,582**	460,645,195
Reclassified from Levies payable		
Reclassified to Deposits and prepayments > Prepaid levies		
Income tax refundable/adjustable	**22,006,616**	18,100,090
Reclassified from income taxes payable >		
Reclassified to Tax refunds due from government >		
Income tax refundable/adjustable		
Sales tax refundable/adjustable	**1,130,033,954**	703,926,594
Reclassified from Advances and other receivables		
Reclassified to Tax refunds due from government >		
Sales tax refundable adjustable		
Foreign exchange gain - *unrealized*	**24,843,471**	-
Reclassified from Revenue from contracts with customers		
Reclassified to Other income > Foreign exchange gain - unrealized		
Export subsidies and rebates	**311,333,095**	243,834,464
Reclassified from Revenue from contracts with customers		
Reclassified to Other income > Export subsidies and rebates		
Foreign exchange loss - *unrealized*	**-**	22,325,449
Reclassified from Revenue from contracts with customers		
Reclassified to Other expenses > Foreign exchange loss - unrealized		
Impairment allowance for expected credit losses *(Trade receivables)*	**1,601,850**	1,100,107
Reclassified from Other expenses > Impairment allowance for expected credit losses		
Reclassified to face of Statement of Profit or Loss		
Impairment reversal for expected credit losses *(Investment in debts securities)*	**(110,923,065)**	(2,549,402)
Reclassified from Other expenses > Impairment of investment		
Reclassified to face of Statement of Profit or Loss		
Impairment allowance for expected credit losses *(Dividend receivable)*	**55,462,394**	71,362,122
Reclassified from Other expenses > Impairment of investment		
Reclassified to face of Statement of Profit or Loss		

64 General

Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.

Lahore	**Chief Executive Officer**	**Director**	**Chief Financial Officer**

FORM 20

THE COMPANIES ACT, 2017
COMPANIES REGULATIONS, 2024
[Section 227(2)(f) and Regulation 30]

PATTERN OF SHAREHOLDING
(ORDINARY SHARES)

PART-I

1.1 Name of the Company **AZGARD NINE LIMITED**

PART-II

2.1 Pattern of holding of the shares held by the Shareholders as at **30 06 2025**

2.2

Number of Shareholders	Shareholdings from		to	Total Shares held
662	1	-	100	23,658
882	101	-	500	335,805
833	501	-	1000	752,610
1778	1001	-	5000	5,025,022
663	5001	-	10000	5,340,825
272	10001	-	15000	3,538,858
192	15001	-	20000	3,587,931
133	20001	-	25000	3,126,669
84	25001	-	30000	2,384,371
45	30001	-	35000	1,483,766
47	35001	-	40000	1,826,024
33	40001	-	45000	1,437,664
66	45001	-	50000	3,242,189
25	50001	-	55000	1,332,169
18	55001	-	60000	1,061,770
21	60001	-	65000	1,327,077
14	65001	-	70000	964,257
9	70001	-	75000	658,900
11	75001	-	80000	865,141
9	80001	-	85000	745,608
10	85001	-	90000	882,822
8	90001	-	95000	743,744
33	95001	-	100000	3,293,500
10	100001	-	105000	1,026,109
4	105001	-	110000	436,582
6	110001	-	115000	682,898
4	115001	-	120000	471,097
4	120001	-	125000	496,000
4	125001	-	130000	510,571
2	130001	-	135000	267,500
1	140001	-	145000	141,000
15	145001	-	150000	2,247,503
1	150001	-	155000	153,783
1	155001	-	160000	158,000

Number of Shareholders	Shareholdings from		to	Total Shares held
2	160001	-	165000	324,500
1	165001	-	170000	169,041
5	170001	-	175000	870,175
3	175001	-	180000	536,197
1	180001	-	185000	185,000
1	185001	-	190000	189,640
2	190001	-	195000	387,000
11	195001	-	200000	2,198,000
1	200001	-	205000	204,000
2	210001	-	215000	423,118
2	215001	-	220000	440,000
1	225001	-	230000	226,298
3	235001	-	240000	714,000
1	245001	-	250000	250,000
2	255001	-	260000	514,742
1	260001	-	265000	260,500
1	265001	-	270000	269,000
5	295001	-	300000	1,500,000
1	330001	-	335000	333,854
1	335001	-	340000	336,102
1	345001	-	350000	350,000
1	350001	-	355000	350,011
2	370001	-	375000	749,562
4	395001	-	400000	1,600,000
1	400001	-	405000	405,000
1	410001	-	415000	415,000
1	415001	-	420000	417,500
1	420001	-	425000	425,000
1	445001	-	450000	450,000
1	470001	-	475000	475,000
1	475001	-	480000	478,523
2	485001	-	490000	976,500
4	495001	-	500000	2,000,000
1	510001	-	515000	515,000
1	555001	-	560000	558,500
1	580001	-	585000	581,259
1	585001	-	590000	588,015
2	595001	-	600000	1,200,000
1	700001	-	705000	705,000
1	795001	-	800000	800,000
1	970001	-	975000	973,877
1	995001	-	1000000	995,155
1	1005001	-	1010000	1,006,898
1	1170001	-	1175000	1,170,540
1	1185001	-	1190000	1,187,500
2	1245001	-	1250000	2,500,000
1	1250001	-	1255000	1,254,000
1	1260001	-	1265000	1,261,500
1	1495001	-	1500000	1,500,000

Number of Shareholders	Shareholdings from		to	Total Shares held
1	1705001	-	1710000	1,705,172
1	2445001	-	2450000	2,450,000
1	2545001	-	2550000	2,550,000
1	2570001	-	2575000	2,571,275
1	4585001	-	4590000	4,586,819
1	4995001	-	5000000	5,000,000
1	6595001	-	6600000	6,600,000
1	7195001	-	7200000	7,195,284
1	13675001	-	13680000	13,679,450
1	19585001	-	19590000	19,586,000
1	22425001	-	22430000	22,425,550
1	47135001	-	47140000	47,137,692
1	121155001	-	121160000	121,158,363
1	141970001	-	141975000	141,972,196
6000	**TOTAL**			**485,409,731**

2.3	Categories of Shareholders	Shares held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor children	141,973,330	29.25%
2.3.2	Associated Companies, undertakings and related parties	121,158,363	24.96%
2.3.3	NIT and ICP	8,398	0.00%
2.3.4	Banks, Development Financial Institutions, Non-Banking Financial Institutions	25,118	0.01%
2.3.5	Insurance Companies	7,158,094	1.47%
2.3.6	Modarabas and Mutual Funds	-	0.00%
2.3.7	Shareholders holding 10%	263,330,559	54.25%
2.3.8	General Public		
	a. Local	147,651,214	30.42%
	b. Foreign	151,917	0.03%
2.3.9	Others		
	Investment Companies	48,785	0.01%
	Joint Stock Companies	66,930,882	13.79%
	Provident/Pension Funds and Misc.	303,630	0.06%

Form of Proxy
Azgard Nine Limited

I/We ____

son of/daughter of/wife of ____

a member of Azgard Nine Limited and holder of ____________________ ordinary shares as

per Registered Folio No.____________ do hereby appoint Mr./Ms./Mrs. ____________

son of/daughter of/wife of______________________________ or failing him/her

Mr./Ms./Mrs.____

son of/daughter of/wife of____

who is also member of the Company vide Registered Folio No. ____________________

as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Monday, the 27th October 2025 at 11:30 a.m. at the Registered Office of the Company, Ismail Aiwan-i-Science, Off: Shahrah-i-Roomi, Lahore and at any adjournment thereof.

In witness whereof on this ____________ day of ____________ 2025.

WITNESSES

1. Signature ____________

   Name ____________

   Address ____________

   CNIC ____________

2. Signature ____________

   Name ____________

   Address ____________

   CNIC ____________

Affix Revenue Stamp

Member's Signature Over Revenue Stamp

NOTE:

1. The Form of Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.

2. CDC Shareholders, entitled to attend and vote at this meeting, must bring with them their National Identity Cards/Passport in original to authenticate his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport. Representative of corporate members should bring the usual documents for such purpose.

AFFIX
CORRECT
POSTAGE

The Company Secretary
AZGARD NINE LIMITED
Ismail Aiwan-i-Science
Off: Shahrah-i-Roomi
Lahore-54600, Pakistan.

پراکسی فارم

ایزگارڈ نائن لمیٹڈ

میں/ہم ....

ولد/دختر/زوجہ ....

ایزگارڈ نائن لمیٹڈ کا/کی ممبر اور ہولڈر ....

عمومی شیئرز اور رجسٹرڈ فولیو نمبر .... جناب/محترمہ ....

ولد/دختر/زوجہ ....

کا تقرر کرتا/کرتی ہوں یا اس کے ناکام ہونے پر جناب/محترمہ ....

ولد/دختر/زوجہ ....

جو کہ خود بھی کمپنی کا/کی رجسٹرڈ فولیو نمبر .... کے تحت ممبر ہے میرے/ہمارے پروکسی کے طور پر شرکت کرے، تقریر/بیان کرے، میرے/ہمارے لئے ووٹ دے کمپنی کے بتیسویں سالانہ اجلاس عام جو کہ بروز **پیر** 27 اکتوبر 2025 بوقت 11:30 بجے صبح بمقام کمپنی کے رجسٹرڈ آفس: اسماعیل ایوان سائنس، آف شاہراہ رومی، لاہور میں منعقد ہوگا اور اسکے کسی التواء کی صورت میں۔

مورخہ .... 2025 کو روبرو گواہان تحریر کیا ہے۔

گواہ شد	گواہ شد	ریونیو ٹکٹ لگائیں ریونیو ٹکٹ پر ممبر کے دستخط
دستخط	دستخط	
نام	نام	
پتہ	پتہ	
شناختی کارڈ نمبر	شناختی کارڈ نمبر	

نوٹ:

1۔ پراکسی فارم کو لازمی طور پر کمپنی کے رجسٹرڈ آفس میں اجلاس سے 48 گھنٹے قبل جمع کروائیں۔

2۔ CDC شیئر ہولڈرز اجلاس میں شامل ہونے اور ووٹ دینے کے اہل اپنا شناختی کارڈ/پاسپورٹ اپنی شناخت کے طور پر پیش کریں گے اور پراکسی کی صورت میں لازمی تصدیق شدہ شناختی کارڈ یا پاسپورٹ کی کاپی منسلک کریں گے۔ کارپوریٹ ممبرز کے نمائندگان اس مقصد کیلئے عمومی کاغذات ہمراہ لائیں گے۔

AFFIX
CORRECT
POSTAGE

The Company Secretary
AZGARD NINE LIMITED
Ismail Aiwan-i-Science
Off: Shahrah-i-Roomi
Lahore-54600, Pakistan.

www.azgard9.com

AZGARD NINE LIMITED

Address

Ismail Aiwan-e-Science,
Off Shahrah-e-Roomi,
Lahore-54600, Pakistan.

Contact

Phone:
+92(0)4235761794-5

Email

info@azgard9.com

/AZGARD9LTD